FINANCIAL TIMES

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NEWS SUMMARY

NERAL

Month's race for unaway MP

John Stonehouse has been er a month to decide whether return to Westminster to at for his Commons seat or e expulsion as MP for alsall North, writes Richard ans.

Commons Select Committee, a second report on the run- ay Labour MP now facing radition proceedings in stralia, declare that because had "abandoned his Parlia- ntary duties" a motion to el Mr. Stonehouse is now tified.

But they recommend that Mr. nehouse be given a month's ce to state his case before the nmons or to resign.

ffer to return

t was reported from Australia t Mr. Stonehouse was offering return to make a statement, d the Clerk of the Select Com- ittee announced that a letter d been received from him. A tement about the letter, which y be published, is possible to- rrow.

In London, Mrs. Barbara Stone- use said that her husband uld not return to the U.K. even he wanted to, "in view of the gal proceedings in Melbourne." ge 8

obs charter or Ulster

Government Bill to make it nlawful for a Northern Ireland nployer to discriminate against person on the grounds of his eligious belief or political pinion was published in the fouse of Lords. It provides for Fair Employment Agency hich will issue certificates to equal opportunity employers." he public will have access to register of these. Page 7

ord opposed to ietnam inquiry

resident Ford said on TV that would oppose any Congres- onal investigation into the Viet- um war because "it would be visive and not helpful." Mean- hile, U.S. intelligence has tected evidence of a second ass execution of military and litical officials in Northern mbodia. Page 5

abour defeat on dustry Bill

e Government was defeated 24-5 during the committee ge of the Industry Bill when bour backbenchers supported amendment requiring the easury to furnish more econo- c information and forecasts other Government depart- nts and industry. Back Page

ardinal dies

rdinal Jozsef Mindszenty, rmer Primate of Hungary who nt 15 years in the U.S. lega- n in Budapest after being ed from life imprisonment, d in Vienna, aged 83. Page 6

oyal boarders

incess Margaret and the Earl Snowdon are to send their ildren, Viscount Linley and dy Sarah Armstrong-Jones, to dales, the co-educational arding school in Petersfield, nts.

eventh victim

ctors operated on a 21-year-old mbridge secretary who was unded in the stomach when was attacked by a man whom lice believe responsible for ven rapes in the city since tober.

iefly . . .

C Radio 4 will broadcast the ole of question time on June he first day of the four-week eriment in live broadcasting m the Commons.

BUSINESS

Wall St. off 20.88; Equities down 3.9

● EQUITIES remained in the doldrums yesterday, but bear closing in the last hour brought about a useful rally. The FT 30-share index, down 8.2 at 2 p.m., ended off 3.9 at 311.1, a fall of 19.6 over the last two trading days.

● GILTS staged a technical rally, helped by Monday's fall in U.S. Treasury Bill rates. Gains ranged to ½. Government Securities index improved 0.22 to 56.77 after the previous fall of 0.94.

● WALL STREET fell 20.88 to 834.72. The turndown was attributed to profit-taking, an overbought technical condition, and bleak predictions on unemployment from labour leaders.

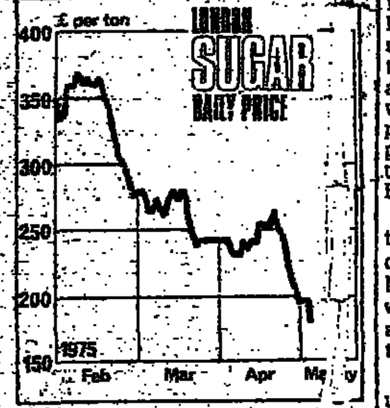
● STERLING fell 30 points to $2.3385. Its weighted fall was unchanged at 23.3 per cent. Dollar's depreciation was 6.77 (6.72) per cent.

● GOLD rose $¼ to $164.

● RUBBER STOCKPILE scheme proposed by Malaysia to stabilise prices has been offered financial support from an unnamed European financial group and a West European Government. Page 27

U.K. sugar price cut proposed

● U.K. REFINED SUGAR prices are to be cut later this year to come into line with EEC and world levels.



The London daily sugar price yesterday dropped £18 to £190 a ton, its lowest since January 1974. Page 27

● LOANS to U.K. residents by the London clearing banks fell £107m. in the four weeks to mid-April. Page 7, Tables Page 24

● BURMAH OIL will have to sell part of its stake in two of the largest North Sea oilfields to raise its share of the £130m. needed for their development. Back Page

● BRITAIN is likely to build a £150m. aluminium smelter in Dubai following yesterday's preliminary agreement. Page 4

● SMITHS INDUSTRIES has won a £3m. Russian order for spark plug technology and equipment—the first under February's £950m. export credit agreement. Page 4

COMPANIES

● TARMAC reports 1974 profits up from £16.3m. to £17.8m., a net surplus on property revaluation of £20m. and a rights issue of new Ordinary shares to raise £10.6m. Page 21 and Lex

● MOTHERCARE profit for the year ended March 31 1974-75 rose £0.5m. to £7.4m., of which £7.1m. came from the U.K. Page 20 and Lex

IEF PRICE CHANGES

(Prices in pence unless otherwise indicated.)

RISES		
as. 5½pc '08-12	£37⅞	+ ⅞
ney Prods.	22	+ 4
el Bros.	213	+ 7
mah Oil 6½pcDb.	£97*	+ 15
juntai	423	+ 23
s. Murchison	710	+ 10
lenburg Plat.	118	+ 4
FALLS		
right & Wilson	70	− 7
lerson Strathclyde	156	− 7
glo-Thai	211	− 7
oc. Fisheries	35	− 5
C	112	− 6
isford (S. W.)	183	− 7
t. Comm. Shipping	165	− 10
e (R. H.)	55	− 7
relough (L.)	194	− 6
ons	880	− 8
slemere Estates	210	− 8
Hepworth (J.) "B"	48	− 7
Ladbroke	52	− 5
Lex	174	− 2½
Lucas Inds.	114	− 6
Mercantile Credit	28	− 4
Metal Box	244	− 6
Midland Bank	247	− 5
Midland Yorks. Chm.	335	− 13
Mothercare	152	− 8
Peachey Prop.	38	− 4
Pilkington	178	− 7
Sheffield Twist	66	− 9
Tarmac	154	− 5
Tate & Lyle	245	− 4
Thorn Elect.	138	− 8
Warnford Inv.	385	− 13
Shell Transport	275	− 6
B.H. South	205	− 10
Charter Cons.	166	− 5
Selection Trust	505	− 10
Unisel	244	− 14
Welkom	460	− 20

* Bid.

(FT stock indices and FT-Actuaries summary Page 31.)

Britain agrees to early conference on Rhodesia

BY BRIDGET BLOOM and J. D. F. JONES, Kingston, May 6

In a dramatic reversal of its previous stand, the British Government has agreed to hold a Constitutional Conference on the future of Rhodesia within the next three months—even if Mr. Ian Smith refuses to attend.

Mr. Harold Wilson gave this undertaking in his meeting with the Presidents of Tanzania, Zambia and Botswana, and Mr. Joshua Nkomo, one of the four key leaders of the African National Council, who has been here in the corridors of the Commonwealth Heads of Government meeting.

Mr. Wilson's agreement, kept secret until now, represents an important change in the British position on Rhodesia which could, along with other measures agreed at this conference, very well break the log jam on the deadlocked Rhodesia talks.

Hitherto, both Mr. Wilson and Mr. Callaghan, British Foreign Secretary, have refused to call a conference until they could be reasonably sure Mr. Smith could attend.

To risk his non-attendance, they argue, would be tantamount to admitting peaceful negotiations had failed.

The fact that Britain has now agreed to hold a conference, possibly with Mr. Smith's seat empty, is seen by the African States as implicit confirmation of their dual strategy on Rhodesia which is, in President Kaunda's words, "peaceful negotiations if possible, armed struggle if inevitable."

Obviously, however, both the British Government and the African leaders hope the three-pronged programme now agreed on here will result in the success of negotiations.

It is hoped the imposition of sanctions by Mozambique on June 25, backed by the whole Commonwealth, plus the threat of sanctions from Botswana and the decision by Britain to call the conference, will make Mr. Smith realise it is in white Rhodesia's interests to negotiate.

Whether or not this happens depends partly on whether the Kingston programme is fully implemented. Although they are broadly happy at the latest developments, some African leaders are worried that a mood of over-confidence (similar to that of the Commonwealth countries in 1966 when Mr. Wilson produced his famous phrase about sanctions working in "weeks not months") may develop in the next few weeks.

The timetable agreed here is that Mr. Wilson will announce his decision to call a conference to the House of Commons in the third week of May. He may also announce he has decided to send a Minister of State to Salisbury for preliminary talks and to see the ANC, although that will depend on Mr. Smith's agreement to allow the Minister in.

The date for the conference may be announced later, following consultations with the ANC; on present showing it is

Continued on Back Page

Backing for EEC membership

The 32 Commonwealth members in Kingston yesterday endorsed British membership of the Common Market in a Note agreed by all but issued separately. The heads of government declared that no member of the Commonwealth felt that its interests had been harmed by British membership and many felt that their own interests would be better protected by Britain remaining within the Common Market. Details, Page 4

Finniston cool to Benn plan for tripartite talks

BY HAROLD BOLTER, INDUSTRIAL EDITOR

A PROPOSAL by Mr. Anthony Wedgwood Benn, Secretary for Industry, that management, unions and Government Ministers involved in steel industry affairs should get together to work out a new management policy for the British Steel Corporation, received a cool reception from Sir Monty Finniston, BSC's chairman, last night.

Mr. Benn suggested that the three sides should meet to go over all the issues which have led to controversy during the last week "and seek to identify an agreed policy which would be the basis of future working."

This would mean that the unions, Ministers and the Board would have to reach agreement on steel plant closures, permanent and temporary, including the manning reduction of 22,000 which the BSC management hopes to implement over the next few months.

And they would also try to reach an agreed policy on such sensitive issues as the inter-face between the Government and the BSC and the "socialisation" of the steel industry through increased worker participation.

Mr. Benn sought an "absolutely clear assurance" from Sir Monty that he would take no action meanwhile to meet the present recession which would in any way pre-empt the outcome of the Government's closure review or inhibit the BSC's ability to meet demand once the demand situation improves.

On the short-term problem caused by the slump in orders, Mr. Benn asked Sir Monty to explore the Corporation's plans for reducing manpower fully with the unions, taking full account of their views and alternatives.

"The Government must know the outcome of these discussions in good time before any final decisions are reached," Mr. Benn warned.

In his reply to Mr. Benn's letter (both letters were again made public immediately), Sir Monty promises to discuss the Secretary for Industry's proposal for a tripartite meeting to consider the various issues, with the BSC Board and let Mr. Benn know their views.

Sir Monty points out that the industry's unions have already been informed that none of the action the BSC proposed to take to meet the recession would pre-empt in any way the outcome of the Government's plant closure review.

Any plants closed because of lack of demand would be kept in a state which would enable them to be reopened when trade recovered—"unless their permanent closure has been, or should be, decided upon as part of the outcome of the Government's review."

On the question of consultation over redundancies, Sir Monty says that the BSC Board "in accordance with our long-standing concept of consultation" will certainly take account of the union's views and of any alternatives they might suggest.

A similar assurance was given to the TUC steel committee on Monday, Sir Monty points out, and the BSC Board had already

Continued on Back Page

EEC grants for expansion, Page 8

Parliament Page 11

Board post

Sir David Davies, Iron and Steel Trades Confederation general secretary, is to be appointed a part-time British Steel Corporation Board member when he retires from the union in a few weeks. Back Page

Board changes soon at FNFC

BY MARGARET REID

MAJOR management and Board changes are expected to be announced next week at First National Finance Corporation, the secondary banking group which has received some £300m. of loans from the big banks' support group.

In one of the key changes, a senior clearing banker, probably from the National Westminster, will move in effectively to share the top management role with Mr. Pat Matthews, who is managing director and one of the deputy chairmen. Mr. Matthews has been a central figure in the development of the company and is a leading shareholder, with a stake shown as around 5½ per cent. in the last accounts.

The changes, which may include other significant alterations in the Board, are due to be announced next Tuesday, when the group discloses the outcome of its trading in 1974. The results are certain to reflect the impact of considerable provisions against the sizeable loans to the problem-ridden property sector.

First National Finance is the second largest borrower from the support consortium of the big clearing banks and the Bank of England. The "lifeboat" was set up at the end of 1973 to channel loans to secondary banks from which deposits flowed out in the confidence crisis touched off by the troubles at London and County Securities.

The results and management changes are expected to be revealed to shareholders in a circular which will also explain other arrangements envisaged for the group. The future shape of the company, which has a consumer credit sector as well as a lending side embracing the considerable advances on residential and other property, has been under discusion for some time with the big banks.

The talks have been against the background of a report from merchant bankers Kleinwort Benson, which had outlined a plan for splitting off the property lending business, to pass to the major bank as security against their support loans, from the continuing consumer finance side.

Present indications are that, at this stage at least, no arrangements have been made for the reconstruction of the company along these lines.

The support loans are being continued.

Shares of FNFC last night closed unchanged at 4½p, which compares with a 1974-75 range of 42p and 2½p. In 1972, they had stood as high as 140p.

£ in New York

—	May 6	Previous
Spot	$2.3380-3390	$2.3395-3405
1 month	1.45-1.35 dis	1.45-1.41 dis
3 months	3.75-3.65 dis	3.70-3.65 dis
12 months	13.05-12.95 dis	12.65-12.70 dis

Leyland lay-offs at 13,000 to-day

By Roy Rogers,

THE NUMBER of British Leyland workers idle as a result of a shortage of components from Dunlop's strike-hit Coventry engineering plant almost doubled yesterday to more than 13,000 and looks set to rise progressively as stocks of suspension units and wheels run out.

Total lay-offs caused by the dispute rose despite a decision to re-open the Mini production lines using components re-imported from Italy which led to the recall of 6,000 workers. These supplies of suspension parts from Leyland's Innocenti subsidiary, are not, however, expected to last much beyond the end of the week.

Hopes of reopening Leyland's Cowley complex—closed on Friday and Monday by a combination of short-time working and internal industrial action by workers in protest at their colleagues being put on short time were dashed when the Dunlop effects caught up with the Marina and new 18/22 range.

With the Maxi production already at a standstill, this means that there is now no finished car production at Cowley and that there is unlikely to be any until the Dunlop pay dispute is resolved. The only hopes of an early settlement hinge on a meeting of the strike committee to-day.

Other British Leyland casualties include Allegro production at Longbridge, where 5,000 are idle, and the Triumph TR6, while Vauxhall and Chrysler production could also be affected if the strike continues much longer.

Meanwhile national and local union officials yesterday began exerting pressure on 4,000 Chrysler car workers in Coventry to lift a strike threat due to be implemented unless management replies to a £15-a-week pay demand by the end of the week.

The national executive of the Amalgamated Union of Engineering Workers decided yesterday to urge its members at the Stoke, Coventry, engine plant to withdraw their threat and resume negotiations as the present agreement is not due to expire until the end of June.

Chrysler management, which is still considering whether to reply to the demand before the week-end, yesterday denied the 4,000 Stoke workers' claim that they were the lowest-paid in the industry.

A company statement stressed that Stoke production pay rates, even before the impending negotiations, were higher than those at Ford and Vauxhall.

News analysis Page 9
Leyland appointments Back Page

Strike ballot for power engineers

BY ROY ROGERS, LABOUR CORRESPONDENT

THE ELECTRICAL Power Engineers' Association's threat to power supplies grew yesterday when the union executive decided to seek authority from its 28,000 members to call a strike "if necessary" to maintain pay differentials over the industry's manual workers.

A ballot will begin immediately which is expected easily to get the necessary three-fifths majority with the result expected about June 9. Before then, however, the EPEA will meet the Electricity Council in a further attempt to improve on the 20 per cent. "social contract" offer rejected last month.

Should these talks prove abortive the EPEA is understood to be thinking in terms of selective cuts aimed at industry, as opposed to the public—since they are the technicians who operate the grid system they are in a position to be selective—or possibly of a ban on overtime.

Although the Electricity Council refuses to comment on the possibilities of industrial action at this early stage, there is no doubt that these key workers could cause immense disruption to supplies with the minimum of effort.

Speaking after his executive had voted almost unanimously for the strike ballot, Mr. John Lyons, EPEA general secretary, emphasised that the 31 per cent. offer being considered by the industry's manual unions erodes differentials created only seven months ago in a major restructuring exercise.

He expressed the view that the EPEA was fighting on behalf of the professional and skilled classes, who "had as much right as manual workers to keep up with inflation."

In the wake of the manual workers' proposed deal the EPEA has claimed a total of 33 per cent., which it says is necessary to maintain differentials.

The EPEA is clearly hoping that its threat will have the same effect as similar warnings by manual unions which prompted the Electricity Council to make its 31 per cent. offer. This, like the EPEA claim, is clearly outside anything that could be justified under the social contract guidelines.

Bank workers reject 20 per cent. Page 9

Firemen take action

BY OUR LABOUR CORRESPONDENT

BRITAIN'S 27,000 firemen are being ordered by their union to answer emergency calls only from next Monday as part of a campaign for an interim pay rise in advance of their next annual settlement, due in November.

This new challenge to the social contract guidelines emerged yesterday when a private session of the Fire Brigades' Union annual conference backed a list of recommendations from the union executive, including demands for an "immediate" claim for an increase to match the rise in the cost of living since their deal last November, an eight-hour reduction in the 48-hour working week and improved shift and week-end payments.

The FBU intends invoking a clause in last November's agreement which allows for an early review in the event of any "exceptional circumstances." In doing so, it will be changing tack after recent abortive attempts to get the local authority employers to make an interim pay award pending completion of a joint evaluation of the fireman's role. This is expected, eventually, to involve some pay restructuring and possibly a reduction in the working week.

The employers' refusal to make any "on-account" payments pending completion of the study appears to be behind the FBU's militant campaign which has been ordered for a period of three months, during which time fire cover could progressively deteriorate.

Last November's 12.8 per cent. pay deal for firemen was hailed as a considerable boost for the social contract. Since then, cost-of-living threshold payments of just over £4 a week have been consolidated into rates, taking them to around £38.48 to £42.80 for the starting grades and £49.60 to £55.40 for the qualified firemen. The rates are for a 48-hour week.

By seeking to reopen their agreement five months early, the Fire Brigades Union is challenging one of the fundamental social contract guidelines — that there should be at least 12 months between settlements.

Their demands will put the local authority employers in a dilemma when lodged with them immediately after the FBU's Bridlington conference ends later this week. Almost all local authority agreements (which cover well over 1m. workers in total) include "exceptional circumstances" clauses and to concede the firemen's demands could open the flood gates to other interim claims.

FEATURES

FT SURVEY

ON OTHER PAGES

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LOMBARD

Anything but the real arguments

BY C. GORDON TETHER

THERE IS one question which all those who are genuinely trying to decide where the balance of advantage in relation to our European future lies could now usefully ask themselves.

It is this: If the pro-Marketeers are so convinced of the strength of the case for keeping Britain in the EEC, why are so many of them frenetically turning to every weapon they can lay their hands on for putting their opponents down other than reasoned argument about the Market issue itself?

The highlight of Mr. Heath's appearance at the pro-Market rally in Trafalgar Square last week-end, as portrayed by the TV cameras, was an attack on leading anti-Marketeers for "looking so miserable." Who, he bellowed, would want to go on a desert island with people who looked like that. Childish, of course. But not, I am afraid, to be dismissed as being of no significance on that account. For this was another manifestation of the campaign of denigration and hate that has now become a major feature of the pro-Marketeers' efforts to stupefy the public into giving them the "yes" vote they desperately want, for their own desperate reasons, on June 5.

At nothing

It is a campaign that evidently intends to stop at nothing—not even at portraying anti-Marketeers as either ancient fuddy-duddies who have long since lost the power to think at all or "reds" emerging from under the beds to turn Britain into a Communist republic.

So much for all that disarming talk about keeping personalities out of the debate. Many pro-Marketeers—and Mr. Heath clearly showed himself to be among them in his Trafalgar Square performance last week-end—are not hesitating to name those they specially want to discredit or belittle. But what is much worse is that anti-Marketeers as a whole are being held up to ridicule or subjected to other equally malicious forms of attack.

To the extent, of course, that anti-Marketeers insist on trying to conduct the debate on our EEC future other than in terms of a slanging match, the pro-Marketeers cannot entirely disregard what the argument is supposed to be about. But this "problem" is being largely dealt with through the use of the "myths" and scare-mongering techniques.

The label "myth" is applied to each and everything that anti-Marketeers say in criticism of pro-Market arguments or to demonstrate how and why Britain would be better off outside the market. For Mr. Roy Jenkins every single point the anti-Market side makes is a myth—from the allegation that the pro-Market campaign is receiving large sums of money from "big business" to the contention that Britain would have no serious difficulty in negotiating a free trade area arrangement with the other EEC countries after withdrawal.

For obvious reasons, rarely is any coherent attempt made to justify the use of the "myth" appellation. And the problem presented by the success of anti-Market efforts to refute such charges is disposed of by pretending that the answers have never been forthcoming.

Clear proof

"So far there has been no satisfactory answer given by opponents of the EEC as to what alternative trading arrangements could be made available in the event of Britain withdrawing." So says the London Chamber of Commerce and Industry in the highly-slanted policy statement it has issued to persuade member companies to encourage their employees to vote "yes" in the referendum. Yet this very exercise has been carried out over and over again in a manner that would have fully satisfied anyone whose ears were not already deaf to all persuasion.

As for scare-mongering, anyone who has been foolish enough to absorb pro-Market propaganda excesses must surely be convinced by now that everything—not excluding the sky—would fall in the very instant we left the EEC. They would be expecting the total collapse of the £, a complete standstill in investment, the disintegration of our foreign trade and so on and so on. It is all, needless to say, the utmost nonsense. And there could be no clearer proof of this than the fact that one thing the prophets of withdrawal doom never do is to spell out exactly how these things would come about.

Two and a half years of unabated misery in the Common Market have demonstrated that we have nothing to lose by coming out but the chains which membership imposes on our freedom to start rebuilding our economic health.

I am not going to pretend that the anti-Market side is without sin where propaganda excesses are concerned. But I do not think it can be denied that, by comparison with the pro-Marketeers, they are behaving like knights in shining armour. And if you want to maintain that this is not because they are innately more virtuous, you will have to agree that it is because the weight of the real arguments is on their side.

RACING — BY DOMINIC WIGAN

Two for Murless

THE WARREN Place team of Noel Murless has made a surprisingly disappointing start to the season, with no successes to-date. However, the Newmarket trainer has almost always done well with his Chester raiders, and I am hopeful that *Shallow Stream* and *Dazzling Light* will be up to providing him with a double on his home course this afternoon.

Shallow Stream, a compact bay daughter of Reliance II, who seems sure to be ideally suited to this sharp track, ended her two-year-old career by comfortably disposing of Coed Cochion and 11 others in a Newmarket maiden race in November and she showed that she had gone the right way over the winter when finishing third in the highly competitive Princess Elizabeth Stakes at Epsom on her return to the racecourse.

With the benefit of that Epsom run behind her, Shallow Stream, who has been doing all that has been asked of her at home, can open her account for the season by out-pacing Lester Piggott's well-thought-of mount, Brillantine and the favourite, One Over Parr in the Cheshire Oaks (3.50).

Dazzling Light has also made one appearance this term. At the Newmarket Craven meeting, this bay filly by Silly Season out of Picture Light failed by only a head to hold Genesis in a 28-runner maiden event. That outing is sure to have brought the Warren Place filly on considerably and she is a reasonably confident choice for the Sefton Stakes (2.45).

CHESTER
2.15—Steel King
2.45—Dazzling Light**
3.20—Boco*
3.50—Shallow Stream***
4.20—Shaba
4.50—Red Regent
5.20—Top

SALISBURY
2.00—Mrs. Miller
3.00—The Headman
3.30—Ring of Fire
4.00—Rosella
5.00—Opalenka

WETHERBY
7.00—Greystoke Rambler
7.30—Luck
8.00—Roisrian

Half-an-hour before the Cheshire Oaks, Piggott will be aboard the heavily-backed John Cherry in the Ladbroke-sponsored Chester Cup (3.20). This good-looking son of that highly successful American stallion, Stage Door Johnny, showed notably improved form towards the end of last season, winning easily at Lingfield and Newmarket and he was far from disgraced on his re-appearance when making a bold showing in Sandown's Guildford Handicap on April 26.

John Cherry may well prove up to giving Piggott a fourth Chester Cup victory after his victories on Sandiacre (1958), Agean Blue (1966) and Major Rose (1968); but on this occasion I have narrow preference for the possibly leniently treated Boco, a Chester specialist ridden by that talented apprentice, Roger Wernham, who claims the 5lb. apprentice's allowance.

Gavin Hunter can have had few worries here yesterday when his fast two-year-old, Western Jewel, out-paced her opponents in the Lily Agnes Stakes and Mrs. Miller seems likely to maintain his winning run by taking this afternoon's Horserace Betting Levy Board Stakes (2.00) at Salisbury. Later in the afternoon I shall be disappointed if that speedy juvenile, The Headman, fails to land the Salisbury Stakes (3.00), in which Attymon Place may be the answer for forecast backers.

SALEROOM — BY ANTONY THORNCROFT

Netsuke sales top £160,000

SOTHEBY'S HAD an extremely busy day yesterday which was dominated by two sales of Netsuke. In the morning, the collection of Professor and Mrs. J. Hull-Grundy was sold for an impressive £82,815 and an afternoon sale realised £83,800. Prices were around, or above, estimates.

In the morning for example, a dark wood or ebony Netsuke in the form of a bat, made this century, was bought by R. Pye for £5,500, way above the £2,000-£3,000 estimate, and the best price in the afternoon, £3,200 for a model of a Manchurian Crane, was also above forecast. This is a consistent market, but even so the strength of demand, with Eskenazi a particularly active buyer, was surprising.

Other Sotheby sales included an encouraging disposal of English porcelain for £30,517, and printed books for £18,219. In the porcelain, a rare "girl in a swing" gold mounted Etui, dated 1751-54, sold to R. Williams for £1,500, and the same price was paid by A. Amor for a Worcester vase and cover in the manner of James Rogers, dated 1760.

Among the books an illustrated catalogue in two volumes of pictures in the Munich Art Gallery in 1821 sold for £500, and Captain Bligh's "Voyage to the South Seas," dated 1792, sold to Moxsom for £480. The art nouveau and art deco sale at Geneva was slightly disappointing, totalling £61,824. The top price of £4,341, for a Tiffany Studios peony floor lamp of 1900, was below estimate, as was the £3,673 paid for a black lacquer four panel screen by Jean Dunand, 1925-30.

There was a stronger market at Phillips, where the Photographic Album for the Year 1855, 40 photographs by members of the Photographic Club, was bought for £2,500, five times the estimate. The photographs are accompanied by technical details, and one celebrated study by Count de Montizon of a hippopotamus presented to Queen Victoria, and on view at the London Zoo, boasts "instantaneous exposure" in its data.

Dylan Thomas

There was equally fierce bidding for an important set of Dylan Thomas manuscripts — a letter written in 1939 and several poems in the poet's hand. They were bought by Quarritch, on behalf of a "Welsh sympathiser," for £1,100 against the counter bidding of the Dylan Thomas Boathouse Museum in South Wales. However, the two contestants split two other Dylan Thomas lots of books and signed typescripts for £220 and £300.

There were few surprises at Christie's yesterday when Tibetan, Indian, Sino-Tibetan and Nepalese works of art made a reasonable £41,291. The most prized item, a Chinese gilt bronze figure of Mahajala, went to a private buyer for £6,825 (within the broad £5,000 to £8,000 estimate). Another private buyer acquired a Central Indian buff sandstone figure of Bhairava, 30 inches high and dating from the 11th Century, for £1,680.

Other top prices were the £1,260 (below estimate) for a Central Indian buff sandstone doorway lintel, also of the 11th Century, and £1,365 for a Tibetan gilt bronze group of Samvara, dating from the 17th-18th Century.

The other Christie's sale, of miniatures and objects of vertu, was very predictable, totalling £16,507. The top price was £315 for a miniature of Maria Ginning, Countess of Coventry, with the same price paid for a Louis XV Vernis Martin snuff-box.

GARDENS TO-DAY

Harmonious patterns in green

BY ROBIN LANE FOX

GREEN IS the colour of the moment for any gardener who looks further than the remains of his winter broccoli, so I have been wondering how to make the most of it. We value trees for their autumn colour, yet the variety of their spring colour is seldom discussed. It is a surprising oversight.

The grass-green young leaves of an elm, the pale lime-coloured leaf of a cut-leaved beech, the silver of the whitebeam, the grey specks of an emergent willow: if these were autumn colours we would grade them carefully and tolerate their dullness for the rest of the year. In spring we take them for granted. I have just been talking to a lady who has never noticed before how bright the country looks in spring. She also described my white moon-orchid (bought in flower, I assure you) as a contraption.

New interest

If you have been slow to see the green light, you might now like to bring it down to your garden. Flower arrangers are usually held responsible for the new interest in green flowers, and they probably deserve credit for this, being more artistic than their fellow gardeners. At first I was persuaded, completely, embarassed that I had never noticed the beauty of a green flower before. I still think they have a point, but I do not intend to leap into a garden of green for every season. Some of it, though, is too good to omit.

I must begin with the most fashionable, because it is now coming to life again. Ladies Mantle, or Alchemilla Mollis, has become incredibly popular, and deserves its recognition. If you like green flowers, dislike weeds, and feel that your garden begins to look tired in late July, this is the plant for you.

It will grow and spread anywhere, and its thick mat of woody stems is not easily penetrated or extracted. Its soft felted leaves are a pleasant green and retain drops of rain in their centres like a grain of quicksilver, a charming addition to their beauty. Its clouds of acid green flowers appear in July to a height of a foot when they are not laid flat by rain. It will edge a border, seed itself into paving, split a stone path or fill a dark shaded corner.

It looks so elegant and fashionable among the black spot and crushed mauve of your old-fashioned roses that you will understand why it has raced through country house taste as fast as green gumboots and a Rover 2000. Europe likes it, too. When a distinguished French gardener came to visit, Ladies Mantle was the one plant in the garden which we had in common. I trust that does not put you off it.

Fashionable

The leaves of Ladies Mantle are beginning to show again after their long absence on their rough root-stock, but they are not yet a feature in their own right. If you want to reflect the fresh greens of the trees in the flower bed you would be advised to begin with the Spurges or Euphorbia. Again, you could hardly be more fashionable. The Spurge is such a curious and uncompromising plant that I feel it must be the photographs in garden books which have suddenly put it into so many gardens.

If you are having doubts about Ladies Mantle, you should look, as many have, at the full-colour publicity for it in Graham Thomas's celebrated book on Ground Cover Plants: if you are wondering whether to join the urge for a Spurge, you will not look far before seeing a photograph of the most photographed and discussed spurge, the big Wulfenii (probably) in the Somerset garden of the late Margery Fish, herself a famous plantswoman.

In the garden, not the photograph, the spurge looks decidedly less alluring. None the less, it sells space on the strength, I suspect, of this specimen's photogenic career. It is too big and curious for my garden, and I allowed my only plant to become leggy, its regrettable habit.

I do not care for its mass of green-yellow flowers, least of all in bud, and when supporters describe them as similar to frogs-spawn, I am not attracted. But at least it is usually evergreen.

Where, then, would my spring garden be found? They are among the smaller spurges which should be familiar to regular readers (the sp[illegible] Cyparissias, the ever[illegible] Robbiae and the yellowish [illegible]chroma) and among the sim[illegible] named Spurge Laurel, [illegible] scented Daphne which is [illegible] here and in Europe and [illegible] bought as Daphne Pontica[illegible] small green flowers deliciously scented and [illegible] grow easily in shade.

The young yellow growth of Hosta Fortunei would match them elegant[illegible] in shade. Lily of the Va[illegible] so much a compound of as[illegible] leaf and white flower [illegible] would not be out of place [illegible] edging. Above all, there [illegible] be bulbs, the lovely gre[illegible] white Tulip called Angel[illegible] eye the prettiest of the [illegible] and the green-edged bells [illegible] Spring Snowflake (Le[illegible] Vernum) another plant [illegible] shade.

Unusual cherry

And a large bush as [illegible] ground? Well, if you [illegible] greenish flowers, not lea[illegible] can surprise yourself w[illegible] most unusual cherry. [illegible] Yukon, it is happier as [illegible] branched bush where it [illegible] at all. Its green-yellow [illegible] is quite remarkable, an[illegible] worth the careful prepar[illegible] a rich peaty soil which [illegible] to like best.

When you begin to rep[illegible] spring green of the tre[illegible] leaves in the flower-shap[illegible] cherries we all plant [illegible] them, you will be bin[illegible] heights of harmonious [illegible] even the flower-arrange[illegible] complain at that one. [illegible] not think that they will [illegible] having red hot pokers [illegible] on this pale green show.

Hangar to be £150,000 seed p[illegible]

A CONVERTED RAF hangar is to house a £150,000 seed-processing plant at Swinderby, [illegible]. It is expected to be working fully by the end of this year's harvest, and is said to be the country's most modern.

The plant, owned by [illegible] Bennett division of the Seed Houses group, the wholesale seed combi[illegible] handle about 10,000 tons [illegible] seed a year, but will emp[illegible] 10 people.

TV Radio

† Indicates programme in black and white.

BBC 1

9.38 a.m. For Schools, Colleges. 10.45 You and Me. 11.00 For Schools, Colleges. 12.30 p.m. Day and Night. 12.55 News. 1.00 Pebble Mill Special. 1.45 Fingerbobs. 2.02 For Schools, Colleges. †3.53 Regional News (except London). 4.00 Play School. 4.25 Adventures of Parsley. 4.30 Boris the Bold. 4.35 Jackanory. 4.50 The Monkees. 5.15 If You Were Me.
5.45 News.
†6.00 Nationwide.
6.45 The Wednesday Film: "The Phantom Tollbooth" (full-length cartoon).
8.10 Survivors.
9.00 News.
9.25 Wodehouse Playhouse.
9.55 Sportsnight.
10.50 Midweek in Japan.
†11.38 Regional News.

All Regions as BBC 1 except at the following times:—

Wales—4.50-5.10 p.m. Straeon Cadi Ha. 5.10-5.15 Magic Roundabout. 6.00-6.45 Wales To-day. 6.45-7.10 Heddiw. 7.10-7.40 Y Llygad Craff. 7.40-8.10 Whatever Happened to the Likely Lads? †11.38 News of Wales.

Scotland—6.00-6.45 p.m. Reporting Scotland. Between 9.55-10.50 Sportsreel. †11.38 Scottish News Summary.

Northern Ireland—10.23-10.42 a.m. Ulster in Focus. 3.58-4.00 p.m. Northern Ireland News. 6.00-6.45 Scene Around Six. †11.38 Northern Ireland News Headlines.

England—6.00-6.45 p.m. †Look North (from Leeds, Manchester, Newcastle); †Midlands To-day (from Birmingham); †Look East (from Norwich); Points West (from Bristol); †South To-day (from Southampton); †Spotlight South-West (from Plymouth).

BBC 2

†6.40 a.m. Open University.
11.00 Play School.
2.00 p.m. Racing from Chester.
†5.00 Open University.
7.05 Worlds Without Sun.
7.30 Newsday.
7.45 Two Wheels, Twelve Gears.
8.10 World-wide.
9.00 Wessex Tales.
9.50 Inside Story.
10.35 Don't Quote Me.
11.05 News Extra.
11.25 Closedown: Bernard Hepton reads "The Constant Lover" by Sir John Suckling.

LONDON

9.30 a.m. Schools Programmes. 12.00 Pipkins. 12.15 p.m. The Adventures of Rupert Bear. 12.30 Mr. and Mrs. 1.00 First Report: News, FT Index. 1.20 Lunch-time To-day. 1.30 Crown Court. 2.00 Good Afternoon. 2.30 Rooms. 3.00 World Cup Tennis. 3.55 The Amazing World of Kreskin. 4.25 Captain Cook's Travels. 4.35 Baldmoney, Sneezewort, Dodder and Cloudberry. 4.50 The To-morrow People. 5.20 Dusty's Trail.
5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 This Is Your Life.
7.30 Coronation Street.
8.00 Bless This House.
8.30 Marcus Welby, MD.
9.30 The Loner.
10.00 News.
10.30 Barnaby Jones.
11.30 Wrestling.
12.10 a.m. Ideas in Print.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Houseparty. 3.55 Showcase. 5.20 Elephant Boy. 6.00 About Anglia. 8.30 Hawaii Five-O. 10.30 Wrestling. 11.15 Your Music at Night.

ATV MIDLANDS

10.35 a.m. Link (programme for disabled people). 1.20 p.m. Lunchtime Newsdesk. 3.55 Untamed World. 5.20 ATV Today including Junior Police Five. 6.00 ATV Today. 8.30 Kung Fu. 10.30 Wrestling. 11.15 Father Paschal.

BORDER

12.30 p.m. Bridget Loves Bernie. †1.25 Border News. 2.00 Houseparty. 3.00 The Japanese Experience. 4.05 That Mouse. 4.50 The Tomorrow People. 5.20 Circus. 6.0 Border News and Lookaround. 8.30 The Zoo Gang. 10.30 Wrestling. †11.15 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 3.0 The Japanese Experience. 4.05 Cartoon. 5.20 Elephant Boy. 6.00 Channel News. 6.10 Wait Till Your Father Gets Home. 8.30 The Streets of San Francisco. 10.30 The Loss of the SS Schiller. 11.00 Wrestling. 11.45 News and Weather in French followed by Epilogue.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 2.00 Houseparty. 3.55 Galloping Gourmet. 5.20 Dusty's Trail. 6.00 Grampian News. 6.15 The Wednesday File. 8.30 Kung Fu. 9.25 Police Newsroom. 10.30 Wrestling. 11.15 Orson Welles Great Mysteries. 11.45 Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. 3.55 The Galloping Gourmet. 5.15 Betty Boop. 5.20 Crossroads. 6.00 Granada Reports. 6.30 The Doris Day Show. 8.30 The Streets of San Francisco. 10.30 Mystery Movie: Hawkins On Murder. 11.55 Inner Space.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 3.00 "Along Came A Spider" starring Suzanne Pleshette. 5.20 Orbit 5. 5.25 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 The Great Western Musical Thunderbox. 8.30 The Streets of San Francisco. 10.30 World Tennis Championship.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25 Miri Mawr. 4.35-4.50 Miri Mwy. 6.01-6.15 Y Dydd. 6.30-7.00 Survival.

HTV West—As HTV General Service except: 11.18-11.40 a.m. History Around You. 1.20-1.30 Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

1.25 p.m. Road and Weather Report. 2.00 Housecall. 3.55 Ann and the King. 5.20 Professor Kitzel. 5.25 Crossroads. 6.00 Scotland To-day. 6.30 Kenneth McKellar at Home. 8.30 Griff. 10.30 At Your Request. 11.00 Late Call. 11.05 A Place in Europe.

SOUTHERN

1.20 p.m. Southern News. 2.00 Houseparty. 4.00 Great Little Trains of Wales. 5.20 Dodo. 5.25 Crossroads. 6.00 Day By Day. 8.30 Hawaii Five-O. 10.30 Your Men at Westminster. 11.00 Southern News Extra. 11.10 Night Gallery.

TYNE TEES

9.25 a.m. Starting Point. 3.00 p.m. The Japanese Experience. 4.00 Hot Dog Ski-ing. 5.20 The Woody Woodpecker Show. 6.00 To-day at Six. 8.30 Hawaii Five-O. 10.30 Griff. 11.25 Late News Extra. 11.35 Thursday is Ascension Day.

ULSTER

1.20 p.m. Ulster news headlines. 3.55 Out of Town. 5.20 Survival. 6.00 UTV reports. 8.30 The Streets of San Francisco. 10.30 Wrestling.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 3.00 The Japanese Experience. 4.00 Cartoontime. 5.20 Elephant Boy. 6.00 Westward Diary. 8.30 The Streets of San Francisco. †10.30 The Loss of the S.S. Schiller. 11.00 Westward Late News. 11.03 Wrestling. 11.45 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 3.00 The Japanese Experience. 4.05 Hot Dog Ski-ing. 5.20 Out of Town. 6.00 Calendar. 8.30 Hawaii Five-O. 10.30 Wrestling. 11.15 Look Ahead.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S); also on VHF. 5.00 Newsbeat. 5.15 Anne Nightingale reviews the latest sounds around. 7.00 As Radio 2 until 12.33 a.m. closedown.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Simon Bates (S) with The Early Show. 6.15 Pause for Thought. 7.02 Terry Wogan (S). 8.27 Racing Bulletin and 8.45 Pause for Thought. 9.02-12.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Cricket Scoreboard. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m. only (also 202m. Scotland) 2.45, 3.45 and 4.45 Sports Desk. 5.02 Waggoners' Walk. 5.17 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Lucky 13. 7.30 Cricket Scoreboard. 7.32 Ting-a-Song (S). 8.02 Country Club (S). 10.02 Sports Desk. 10.05 Jean Challis (S) with Music Through Midnight including 12.00 News. 12.33 a.m. News Summary.

RADIO 3 — 464m, Stereo & VHF

‡ Medium Wave only

7.00 a.m. News. 7.05 Your Midweek Choice (S). 8.00 News. 8.05 Your Midweek Choice, part 2 (S). 9.00 News. 9.05 This Week's Composer: Scarlatti and Boccherini (S). 10.05 French Organ Music (S). 10.50 Mozart and Arensky concert (S). 11.45 Danish Radio Concert (S). 1.00 p.m. News. 1.05 Concert Hall [illegible] Bound. ‡6.05 News. ‡6.10 Homeward Bound (contd.). ‡6.30 Study on 3. 7.30 BBC Symphony Orchestra, part 1: Mozart, Britten (S). 8.10 Emerson on the English. 8.20 BBC Symphony Orchestra concert, part 2: Brahms (S). 9.10 The Arts Worldwide. 9.30 Bach Cantata (S). 10.05 Scientifically Speaking. 11.00 Georges Enesco: Violin Sonata No. 3. 11.25 News.

Radio 3 VHF only—6.00-7.00 a.m., 5.45-7.30 p.m. and 12.00-1.00 a.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming To-day. 6.40 Prayer for the Day. 6.45 To-day including 6.50 and 7.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of To-day including 7.27 Sportsdesk, 7.35 To-day's Papers, 7.45-7.50 Thought for the Day. 7.55 Weather, programme news. 8.00 News and more of To-day including 8.27 Sportsdesk, 8.35 To-day's Papers. 8.45 Yesterday in Parliament. 9.00 News. †9.05 The Living World. †9.35 Frank Muir Goes Into . . . Pessimism. †10.00 News. †10.05 In Britain Now. 10.30 Daily Service. †10.45 Morning Story. †11.00 News. †11.05 Round Britain Quiz. †11.30 Thirty-Minute Theatre. 12.00 News. 12.02 p.m. You and Yours. 12.27 Brain of Britain 1975. †12.55 Weather, programme news. VHF (except London and S.E.) Regional news. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour (‡ from 2.00) including 2.00-2.02 News. ‡2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre. 4.00 News. 4.05 Who Are You, Arthur Marshall? 4.35 Story Time. 5.00 PM Report [illegible] Desk. 7.30 It's Your Line. 8.30 Smoke Without Fire. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World To-night. 10.45 A Book at Bedtime. 11.00 The Financial World To-night: Radio 4's International Business Report: Market Trends. 11.15 To-day in Parliament. 11.30 News.

For Schools: VHF only—9.25 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.02 Downtown. 11.03 In Town. 12.03 p.m. Call In—1. 12.05 London News Desk. 1.00 Call In—2. 2.03 206 Showcase. 3.03 Young in Mind. 4.03 What Are They Up To Now? 4.32 Home Run including London News Desk at 5.00, 6.00, 7.00 In Town. 8.00 Quest. 8.30 Platform. 10.03 Robbie Vincent's Late Night London. 12.00 As Radio 2 until closedown.

London Broadcasting — 261m and 97.3 VHF

6.00 a.m. AM: news, interviews, traffic and travel news, plus sport, with Douglas Cameron and Clive Roslin. 10.00 Open Line with George Gale. 12.00 Newswatch. 6.00 p.m. Newsbreak. 7.30 Music in Stereo, devised by Andrew Carnegie. 9.00-1.05 a.m. Love in London, presented by Adrian Love.

Capital Radio — 194m and 95.8 VHF

6.30 a.m. Kenny Everett with 2½ hours of music and madness. 9.00 Michael Aspel with Music, Features, Advice and Swopshop. 12.00 Cash On Delivery with Dave Cash and Music. [illegible]

F.T. CROSSWORD PUZZLE No. 2,771

ACROSS
1 Beat mine in relish (9)
6 Every ache is slightly different (4)
9 Promoting Satan and creating a disturbance (7, 3, 5)
10 South African comes to us before time to make a banger . . . . (7)
11 . . . . and Arabian makes South African tribe go to north (7)
12 A warning to be wide-awake (5)
13 The Swedish money, on tick we hear, is not practical (9)
16 Churchman has to apply primer (3, 6)
18 Plainly it must be transparent (5)
19 Retribution makes sin seem different (7)
22 Sooner being nobleman that is right (7)
23 Be rash and live dangerously aboard (4, 4, 3, 4)
24 Give away seed we hear (4)
25 Lead party this way and be in business (3, 1, 5)

DOWN
1 Die, being competent to a point, but subject to decay (14)
2 Lie uncomfortably and certainly slow (9)
3 Counterfeit, I'm taking it to worker (7)
4 The month people spread out may be increased (9)
5 Moral significance of those going tail-first (5)
6 One who suffers badly under Her Majesty (7)
7 Palindrome of a city (5)
8 It's often fired but never discharged (5, 9)
14 Sincerely early about home (9)
15 Note with two articles about lowest quantities (3, 6)
17 Extract a perfume (7)
18 Running for the present (7)
20 I must appear in bewilderment making this cereal (5)
21 Southern station for a rascal (5)

Solution to Puzzle No. 2,770

NEEDLE PASSPORT · TOTHELAST RATHE · URAL DISCONTENT · PRIVATE EMBLEM · VESTAL INKSPOT · GOTOMARKET PERM · ISLAM MISTRUSTS · MINISTRY BALDER

Coliseum

Giselle

by CLEMENT CRISP

The second *Giselle* of the week did much to redress the poor impression made by the Panovs at Monday's performance. Last night Elisabetta Terabust—an unexpected but very welcome guest from Rome—and Festival Ballet's own Paul Clarke assumed the leading roles, wearing the costumes designed by David Walker, respecting the choreography of Mary Skeaping's sensitive staging; their joint interpretation was gratefully framed. I have had occasion to praise Miss Terabust's beautifully stylish Giselle before. With its artless simplicity and emotional vivacity sustained by dancing of the most touching Romantic grace, it is exquisitely judged throughout.

The girl of Act 1, shy and trusting, becomes heart-rending in her madness, as disbelief melts into terror and a soft-grained but piercing distress. In Act 2 the gently curving ports de bras, the light jump and the technical fluency that inform all of Miss Terabust's dancing are admirably suited to the Wili, and there is a feeling of dedication to Albrecht that warms and illuminates the great duet.

Paul Clarke, for all his youthful air, has matured into a serious interpreter of Albrecht. The heedless Princeling loves his peasant girl truly, and Mr. Clarke finds many small affectionate touches to show us the freshness of this passion; the remorseful mourner at Giselle's grave can grieve and then respond to the Wili's presence with unaffected sincerity. The partnership is entirely happy in the dancers' response to each other, and the production benefits thereby.

Last night, as on Monday, Giselle was preceded by *Parade*. A museum piece it may be, but the performances of Kenn Wells as the Chinese Conjuror and Carole Hill as the Little American Girl are required viewing. Both artists have the dramatic presence to colour their ambiguous roles and give them substance, and their achievement is very real and very fine.

Morley Gallery

The Nude

by WILLIAM PACKER

The Morley Gallery, which adjoins Morley College in the Westminster Bridge Road, despite being rather beyond the pale, for there are those who feel that to cross the River, even so far as the Hayward, is to set foot in hostile territory, has become over the years one of the galleries to be kept firmly in mind. It is a small but useful space that has housed a surprising number of enterprising and stimulating exhibitions, modest in scale and ambition perhaps, but none the less commendable for that. Its limitations, indeed, turn to virtues, for it is able to show work, whether of individuals or groups, that in these difficult times, will never reach the commercial galleries, and yet deserves to be seen: and its flexibility and smallness allow it to make, or accept ready made, collections of paintings that are beneath the reach of our larger organisations.

The Theme Show is a standard exhibition ploy, and a very good one, usually enjoyable and always interesting: and when the particular peg on which it is hung is of immediate and general fascination, it never fails. Certainly it is put to good use here. We are all deeply intrigued, perhaps appalled, perhaps cheered, by our own bodies, the vehicle of our mortality, and it is perfectly reasonable to be as curious and excited about those of others. The unrelenting hold the Nude has upon the attention of artists should come as no surprise.

The work now on show at Morley comes from many sources, public and private, covers many styles and many years. The great masters of the past century and a-half are represented by small works, prints or drawings, and they give the exhibition an impressive stability. Delacroix, Manet, Gauguin, Picasso and Matisse are among them, enough reason in themselves for visiting the show, and they are supported by much fine work from established English painters, from Etty, one of whose paintings commands the gallery, to Sickert, Gwen John, McEvoy and Matthew Smith; again mostly drawings and small paintings. In our own time the work grows larger, and there are good things from Hockney, Freud, Greaves and Uglow.

But, however much we might admire these artists, and jump at every chance to see their work, their reputations ensure that indeed we do see it again, often. The chiefest pleasure of a show like this, therefore, and its justification, is to see the work of minor figures of the past, and of our own obscurer contemporaries, in the critical context established by the great. An informal, rather arbitrary hang, such as this, puts Renoir and Seurat in the same room as Ethel Walker, Eric Gill and Dod Procter, and Buhler, Ovenden, Hayes and Medley. Renoir and Seurat and their peers can look after themselves; the point is how well the others stand up in their company. It would be foolish, of course, to suggest that they are at all their equals, and there are things on show that could well have been left out: but the rest makes the honourable point that not only great art is important, and worth close inspection.

And then we come back to the works as they are, archetypal images of an eternal pre-occupation that are hot and strong, or tender and delicate, or ribald, ideal, personal, objective; as various as the artists who made them. They are odd, amusing and beautiful by turns, whether it is the charm of Louis Legrand, or the bizarre 'thirties flavour of Alan Beeton, names to conjure with. It is a seductive show, not a great event in the art world, but a definite treat, one which you have until May 24 to enjoy.

After the Bath (1924) by Dod Procter

Sir John Gielgud as Disraeli and Annette Crosbie as Victoria in Edward the Seventh (ATV)

Television

Teddy Boy

by CHRIS DUNKLEY

Anyone who is not yet revelling in Annette Crosbie's performance as Queen Victoria in ATV's *Edward The Seventh* had better start now because the series is already half-way through, and with ITV's shameful habit of allowing even their best material to disappear for ever alongside the worst, no repeat is foreseeable.

Victoria's reign was not one with which I was at all familiar, my notion of her life being an amalgam of oddities culled from various sources: *Sixty Years A Queen*—a massive book which, as a four-year-old, I could barely open but which occupied many rainy afternoons; Hollywood films of the thirties and forties (seen in the sixties) which often seemed to cut the Queen off at the shoulders, presumably because no actress could be found who looked like the real thing; and from occasional television programmes the idea that Victoria was an eccentric recluse who shambled about among memorabilia of her dead husband and conversed only with a bearded gillie. Most persistent of all, perhaps, was the idea that not only her husband but her son as well spoke with a marked German accent.

David Butler's scripts (based on Philip Magnus's book, *King Edward VII*) have torn away many of those preconceptions and replaced them with something much more coherent, but hardly less extraordinary. Victoria emerges as someone at least as capricious as Elizabeth I, and given to even greater bursts of rage; Annette Crosbie's delivery of the more scornful lines being one of the delights of the series. This started in the first episode with her disgust at finding herself pregnant again (with Bertie) so soon after her previous confinement — "It's *degrading!*"—and continued in the next episode with her response to Palmerston's teasing remark that the church disapproved of the use of chloroform during labour: "The church is run by *men*."

Best of all was the outrage which she loaded on to a single word when Bertie, asked about Alix as a prospective wife, remarked that she seemed very pleasant. "Pleasant?" quavered Miss Crosbie, and then, with at least as much incredulity as Dame Edith Evans enunciating "A handbag?" and with a lot more rage, "*Pleasant?*". Rarely has a single word carried such a burden so successfully.

Since the series started even before the birth of its eponym, the relationship between Victoria and Albert predominated in the first two or three episodes and the partnership was developed splendidly by Miss Crosbie and Robert Hardy. I suspect that the smoothness of this particular theme was helped a lot by the use of the one writer (Butler) and, somewhat unusually in such a series, a single director: John Gorrie. From the point where Victoria, with great largess, invited Albert to blot her letters to the point where the dying consort was accepted (albeit grudgingly) by the Cabinet as the only man capable of drafting a letter tactful enough to avoid war between Britain and America, the growth of Albert's abilities and influence, and the steady reversal of roles, was masterfully conveyed.

Timothy West has only just taken over the role of the Prince of Wales from Charles Sturridge, but he has the immense advantage of looking the part, and now I am looking forward to the second half of the series with high expectations—an attitude which seemed unlikely at the beginning when I thought that all of us might have had enough of television royalty to last us a year or three. All in all, it is a production which is at least half as good as ATV chairman Sir Lew Grade thinks it is, and that makes it very good indeed.

Another serial which is now well under way, BBC1's *Survivors*, conceived by Terry Nation, has come in for a good deal of stick so far. The objections seem to have a certain pernicketiness in common—a remarkable number of people have complained that the global disaster which reduced the population by 95 per cent. was never minutely detailed—but this is clearly not intended to be one of those science fiction works which sound like physics text books. Its intentions seem closer to those of William Golding in *Lord of the Flies* where the author's interest in sheer survival techniques is subservient to his interest in social effects.

The drearily autocratic union official with his gun law, the sycophantic and hypocritical Welsh tramp (a whale of a performance from Talfryn Thomas) and the plutocratic bitch in mink are in a sense all stereotypes, but then society is terrifyingly full of such stereotypes — watch television news and current affairs programmes any night for confirmation—and the essential point is that this is story telling. Sneezy, Sleepy, Dopey and the rest were all stereotypes too, but Snow White is a rattling good yarn. What gives *Survivors* its edge over Snow White is the very credibility of its initial premise: it would be interesting to know just how many people *don't* watch *Survivors* because they would rather not think about the scenario it throws up. They should watch, because the sheer professionalism of the story telling here easily makes up for the loss of Edmund Ward's *Hanged Man* on ITV.

Not that Ward really needed any help. He has written a new series of *The Main Chance* for Yorkshire TV and, with a few casual passes of the pen, has manacled the hero to the walls of the cellar, up to his neck in water, as a candle burns through the protective covering of the dynamite parcel above his head . . . metaphorically speaking.

There was no messing about in episode one of the new series: David Main's wife and child from the last series were written out via a road accident without ever appearing. Now the underhand methods used by Main's heavy, Walter Clegg, in attempting to nail the killer lorry driver, have resulted in Main's being struck off and — amazingly — his appeal has failed. So now we have a legal series without a lawyer; are we to go on to David Main Private Eye? David Main Urban Lone Ranger, or what? It is rather as though someone had saddled Walter Gabriel with an Oxford accent and then insisted that it is not a joke and that he must keep it. Tantalising stuff.

Stuttgart Staatstheater

The Bald Soprano

by RONALD HOLLOWAY

Eugene Ionesco's *The Bald Soprano*, an Alfred Kirchner production together with *Clown Numbers* (out of a collection by Tristan Rémy) in the Stuttgart Staatstheater, is that rarity to-day on German stages: a loose, relaxed, improvised, almost carefree embracing of a play that demands more imagination than discipline to score with an audience that is ultimately the butt of the performance. Personally, I have a nagging feeling that Ionesco's impish tic for "anti-theatre" is the pie-in-the-face, and I have been longing to find an ensemble in Germany's subsidised establishment with the same tic to let go and have a little fun at the public's expense. Stuttgart has it in spades: the *Clown Numbers* grew out of the young ensemble's desire to reinterpret the absurd one-acter in its fullest expression of the tragicomic: the clown.

Stuttgart this season has been serving up most of its dramas, folk-plays, song-fests and foyer-shows with an impish grin on its face. The extra emphasis and expended energy comes from a new guard of Young Turks under Schauspieldirecktor Claus Peymann, who set out in the fall to pull the Württembürgische Staatstheater Stuttgart out of the doldrums it fell into over the last few seasons. In a few short months with a critical *Spielplan* and the ability to laugh at its own mistakes, the Stuttgart Ensemble has become one of the leading attractions on the broad theatre landscape. Picture a Kaspar-Theater puppet-show in the foyer during the intermission of Schiller's *The Robbers (Die Räuber)*, in which the play's director, Peymann, bangs his puppet-head against a Schiller-Puppet, a Student-Anarchist and a Text-Fanatic Critic—and the flair of the Stuttgart experiment is immediately evident.

Its solidarity has also been proven. In November, Oberspielleiter Alfred Kirchner (long associated with the Stuttgart Staatstheater) directed Wedekind's *Spring Awakening (Frühlings Erwachen)*, accompanied by the usual well-documented programme-booklet as a "primer" of to-day's sex-education standards in the Bundesrepublik. The listed facts (slang words for genitalia) and statistics (81 youths committed suicide in 1973 in Baden-Würtemburg) raised a furore: the "scandal" was resolved by a revised printing with a personal declaration of viewpoint by the "team" of Peymann, Kirchner and Dramaturgen Hermann Beil, Uwe Jens Jensen and Vera Sturm. The ensemble also stood firm. Shortly thereafter Kirchner directed Ionesco's *The Bald Soprano*, and the ensemble responded by freely adding four "Clown Numbers" in a brief two weeks of rehearsal. The evening is a rib-tickler of plain fun and inane foolishness.

Before the theatregoer can even get to his seat, he already feels himself in an uneasy state of chassis: Clowns are positioned all over the place like preying vultures, answering phone calls from the garderobe and leading wary prospects to their seats—one only to be "caught" in the middle of a crowded row, and that, of course, necessitates lifting clumsy flapper-feet over row after row, until the back wall is reached! Then down to the front and on to a stage, where the same clown sits on covered, as if stored-for-winter furniture . . . just as the play begins: the sheet is removed, and Mr. and Mrs. Smith (Hans-Helmut Dickow and Anneliese Römer) receive their unexpected visitors, Mr. and Mrs. Martin (Wolfgang Höper and Karin Schlemmer) and the passing fireman, symbols of the "universal petty-bourgeoisie." The evening passes in controlled, delightful deadpan.

The fireman (Alexander Grill) returns as one of the clowns, usually together with a flap-footed partner (Peter Sattmann, who started everything off in the beginning) or other variations-in-type, in four numbers to drum accompaniment: "Dead and Alive," "Declaration of Love," "The Stepped-On Hat," and "The Egg In the Pocket." All of them have the eternal touch of the absurd to tweak the nose — the last brings a hail of eggs upon the stage, as Ionesco's principals start their charade over again in jumbled unison — but the slapstick ballet by Grill and Sattmann in the opener, featuring dead-weight falls and corkscrew leg-crossing, trip the light fantastic in precision of execution.

For many the tastiest morsel is to be found in the back of the programme-booklet, where a series of sixteen photos have been selected to match the non-sequiturs of the closing scene in *The Bald Soprano*: Edward Kienholz's "Roxy's" and "Dressing Table," Duane Hanson's "Woman Reading" and "Tourists," and Claes Oldenburg's "Bedroom Ensemble." prominent and familiar environment-art exhibits at Dokumenta 4 and 5 in Kassel during the sixties. So familiar as to be painful.

Festival Hall

Bliss Cello Concerto

The place of honour in the programme being held by the Cello Concerto of Bliss, André Previn and the LSO turned their concert last night into a memorial for the composer, who died a few weeks ago. The concerto was a late work, first heard at Aldeburgh in 1970, when it was played by its dedicatee, Rostropovich. Bliss was often stimulated by outstanding executants. His Piano Concerto was written for Solomon, and there were works written for Kathleen Ferrier, Noel Mewton-Wood, Leon Goossens, Frederick Thurston, and Tertis. Bliss was disappointed by the Cello Concerto's failure to catch on.

Perhaps established artists are afraid of being eclipsed by the great Russian. At any rate, it seems to have been left to younger performers to come to the concerto's rescue. Julian Lloyd Webber played it recently, and last night's soloist was Douglas Cummings, the LSO's principal cellist. He had it by heart, played it with confidence and dashing attack, with dead-centre intonation in the higher phrases. Unfortunately his tone, at least on this occasion, was not big enough to carry a virtuoso work where the soloist must take the limelight. There was a feltiness about it, not in itself disagreeable, but unhelpful to projection.

One result was that Mr. Previn and the orchestra had to walk tight-ropes to ensure that orchestral detail would tell. This is a finely-worked score, light in texture but full of incident, glancing colours and subdued, chuckling flourishes, like good conversation. Bliss originally called it a Concerto, and one sees why. Even the slow movement, the most considerable of the three, has no more than a gentle melancholy. Only in the finale, and there briefly and not without a hint of self-parody, does one meet the bombastic, official Bliss of, for instance, the Piano Concerto. The Cello Concerto is too good to be left languishing. Mr. Cummings will surely find the proper resonance next time.

The concert, which ended with Mahler's Fourth (Jill Gomez as the soprano soloist) began with a Concert Overture by Ray Premru, orchestral trombonist and jazz player. He was born in U.S. but seems to have caught the curious passion British composers have for writing in this uninteresting genre (how many first-class concert overtures have there been since *Cockaigne*?). The long, slow opening had a pleasantly clean, Holstian tang. The fast section seemed to want to move faster but was a little too cluttered to do so. At times it was rather like *Portsmouth Point* slowed down.

RONALD CRICHTON

The Entertainment Guide is on Page 12

V & A

The Music Party

Tuesday concerts continue at the Victoria and Albert Museum: short, delicate affairs, presided over by the Raphael cartoons and an elegant Florentine fountain. By now, the V & A has kindly organised things so that during the interval one can wander round the Costume Court and Musical Instrument Gallery—both considerably restocked since the old V & A concerts some five years ago.

The idea of these concerts is to include the V and A's own instruments where apt and playable; but last night only a late 18th century flute was produced, and all the spectacular instruments—the fantastically embellished Stuart violin, the Elizabethan virginals gaudily covered in scenes from Ovid executed in coloured glass, and Rossini's carved oboe — stayed upstairs like good children, seen and not heard. The V & A's Potter flute, soft, low-pitched and lispy, was used by Stephen Preston only for a pretty little solo sonata by J. Stamitz. Little pieces by family Stamitz can always be called pretty, but this whispery performance, with scoopy, vocal intonation nicely used to colour tone and lift phrasing, was quite enticingly pretty. For Mozart's A major Flute Quartet Mr. Preston used a slightly later, louder Potter; but the sound was still so quaint and tiny in this tall gallery that even the gentle baroque instruments used by the string trio (Duncan Druce, Trevor Jones and Jennifer Ward Clarke) seemed as overwhelming and juicy as the Philadelphia Orchestra.

Alan Hacker, host of The Music Party, played his own squawky clarinet made by Goulding in 1800 (late 18th century reed instruments vary enormously, as much from one decade to another as from country to country: but all are squawkers to the 20th century.) In the wrong hands, Mr. Hacker's string-tied, boxwood, brass-keyed clarinet would conjure a traffic jam on the quay of Napoli, for the tone blares rudely and the pitch is insistently high and nudging. But he played it with such suavity that its piquant flavour greatly enriched two mousy clarinet quartets by Wanhal and Hummel.

GILLIAN WIDDICOMBE

WORLD TRADE NEWS

Britain likely to build £150m. smelter in Dubai

BY RICHARD JOHNS

DUBAI, May 6.

A PRELIMINARY agreement which should lead to the building of an aluminium smelter in Dubai was signed here to-day by the Ruler, Sheikh Rashid, and Mr. Paul Brauner, chairman of British Smelter Construction.

The contract involves a full-scale feasibility study but is seen here as an indication of the Ruler's determination to go ahead with the project, which would cost at least £150m. and perhaps as much as £200m.

It is understood that British Smelter has already worked out financing arrangements with Lloyds Bank International and that the company would take a 20 per cent. stake in the project. Designed to produce at the rate of 120,000-150,000 tons, it could be in commission in three to four years' time.

Despite the present depression in the market for aluminium, British Smelter believes there will be an upturn in demand in 1977-78 and even a desperate shortage of the metal by then.

For its part, Dubai is anxious to establish a decisive lead over other States in the Middle East which have shown an interest in building aluminium smelters but have not as yet made any decisive moves.

Iraq has published a tender, expiring on May 31. Iran has declared its intention of constructing an aluminium smelter. Qatar has had discussions with Alusuisse and Norwegian interests on a similar project.

A precedent for an aluminium smelter in the Gulf exists in Aluminium Bahrain, which was designed by British Smelter. Alba is fed with Australian bauxite pellets and fuelled by natural gas.

As yet it has not been decided how the power for "Dubal," as the Dubai plant will be known, would be supplied. Dubai now has only limited available quantities of associated gas from its off-shore oil production, and they are being harnessed under a $120m. contract with Sunningdale Oil and Gas for other uses.

According to current thinking, a more likely source would be "sludge" (waste) from refineries around the Gulf for which there is no existing market.

After to-day's signing ceremony Mr. Brauner said he hoped for maximum local participation in the construction of the smelter. "We'll do our utmost to get as much British involvement as possible too," he declared, but emphasised that the main priority was to have the most efficient plant possible.

Dubai last year had an oil revenue of $640m., but its actual spending is estimated to have been no more than $120m. The surplus of about $500m. was deposited short-term with a handful of banks awaiting disbursement on the many projects being carried out in the Emirate.

Foremost among them are the supertanker drydock being constructed at a cost of £91m. by Costain and Taylor-Woodrow and a £56m. trade exhibition centre, hotel and an entertainments complex for which the contractor is Bernard Sunley and Sons.

Rhys David writes: The Dubai smelter is the second major Middle East success for British Smelter Constructions which built the only other one in the area—the 120,000 tons Alba smelter at Bahrain which came on stream in 1971.

The company was at that time jointly owned by Amari, the aluminium stockholding group, George Wimpey and John Brown (Engineering). Ownership is now shared between Wimpey and Selection Trust, the U.K. mining finance group, with Mr. H. P. Brauner, the British Smelter chairman, also holding a small stake. Amari was itself taken over in June last year by Selection Trust for £3.3m.

The project, due to be completed in four years, represents only a small addition to total world aluminium capacity—estimated at more than 17m. tons by 1979—but the decision to build it comes at a time when the major producers are themselves delaying construction of plant additions because of the very high capital costs and recent poor rates of return.

German steel prices

FRANKFURT, May 6.

GERMAN STEEL producers have introduced de facto minimum prices, effective from May 1, on exports to countries outside the EEC, according to steel market sources.

No price details have been given, but it was stated that a further $10 a tonne will be added to rolled steel, finished product and profile steel prices from July 1.

The producers took the step despite a reported EEC Commission decison last week not to introduce minimum prices, the sources said. Minimum prices were needed, they added, to cover costs in the face of a market slump and sharply falling prices.

Reuter

Sales boost for new Hawker aircraft

By Michael Donne, Aerospace Correspondent

HAWKER Siddeley Aviation, which is building the Hawk trainer and ground attack aircraft for the RAF, is now stepping up its sales campaign overseas.

One of the most significant potential markets now being canvassed is Egypt, where there is a requirement for about 200 Hawks for the Egyptian and other Arab air forces. The discussions, which have been in progress for some time, involve not only the initial procurement by Egypt of a number of Hawk aircraft built in the U.K. but also the establishment in Egypt of a factory to manufacture Hawks.

Aircraft built in this way would probably then be made available to other countries in the Arab world. Hawker Siddeley is expected to take a Hawk aircraft to Egypt some time early this summer for flying trials on the spot.

In the meantime, development and production of the aircraft for the RAF is gathering momentum. So far, the Ministry of Defence has ordered 175 Hawks for the RAF as a basic training aircraft with deliveries due to start late in 1976 and to be completed by about 1980.

During a flight demonstration at the company's development airfield here yesterday, it was stated that the aircraft had already exceeded the performance standards required by the Ministry of Defence.

Mr. Duncan Simpson, the chief test pilot for Hawker Siddeley Aviation's military division, said: "The company has been required to achieve performance standards and we are now confident that these will also be exceeded in some cases by a substantial margin."

In its sales attack on world markets, Hawker Siddeley is confident that it can capture a substantial share of what it believes is a total requirement for more than 3,000 light trainer and ground attack aircraft.

The Hawk will be priced at just under £1m. per aircraft, which is believed to be better than the price currently quoted by the main competitor, the Franco-German Alpha-Jet.

Lorne Barling writes: Indian Airlanes yesterday confirmed approval by the Indian Government for the purchase of three A300B Airbuses, for which Hawker Siddeley manufactures wings and other parts.

The order is for delivery between October and December next year and three more of the aircraft are on option. The first scheduled operations would be on domestic routes as Indian Airlines phases out its fleet of Caravelles.

Following Air Siam and Korean Airlines, the airline is the third Asian carrier to buy the A300.

Exhibitions

U.K. marine equipment at Tokyo

By Peter Duminy

TOKYO, May 6

SEVERAL NEW items of British marine equipment are on display at the British Export Marketing Centre here this week, the second exhibition in under two years to be staged by this industry. The Duke of Edinburgh will visit the centre on Friday.

Marine equipment exports to Japan were £4.3m. in 1973.

A Japanese goodwill team, described as a buying mission will visit Britain on May 19-21. Now in Norway, the group is the first to have been sent abroad on a buying mission by the Japanese shipbuilding industry.

Export Contracts

MARCONI MARINE has gained one of its largest export orders yet, for communications stations and radar for 15 cargo vessels being built at Hyundai, Korea, for Kuwait Shipping.

RACAL INSTRUMENTS will provide test equipment worth £120,000 for use with calibration and maintenance of radio communications equipment in Switzerland.

BADALEX, Weybridge (Sale Tilney) will make fluorescent tube manufacturing machinery worth £1.4m. for Czechoslovakia. The company's £6m. order book is 80 per cent. for overseas.

VICTAULIC (British Steel Corporation) will supply £200,000 worth of mechanical pipe couplings for a water distribution network in Saudi Arabia.

EDWARD THOMPSON, Derby, is internally spraying 26kms. of gas mains in Frankfurt-am-Main to make them acceptable for natural gas. Changing from wet town gas to dry natural gas, particularly in old mains, dries the jointing yarn and leakages occur. Thompson has developed a high-pressure system of spraying inside the mains with an Imperial Chemical Industries' product that counteracts the drying effect of natural gas.

£3m. Russian order for U.K. company

By David Lascelles, East European Correspondent

THE FIRST trade deal to be concluded under the terms of Britain's £950m. export credit agreement with the Soviet Union was announced yesterday. It is a £3m. order won by Smiths Industries for materials, machinery and "know-how" to equip two Soviet spark plug factories.

The credit agreement, which attracted some unfavourable comment when it was signed by Mr. Harold Wilson, the Prime Minister, in Moscow last February, makes available to the Russians up to £950m. worth of ECGD-backed credit at special interest rates of around 7.2 per cent. Mr. Wilson defended the deal at the time as a reality of East-West trade.

Finance for the Smiths deal is being arranged by Lloyds Bank and the Soviet Foreign Trade Bank.

The contract was negotiated by Mr. S. L. Gortvay, chairman of the group's Spark Plug Division. It will help the Russians to treble output at an existing factory at Engels, 500 miles south east of Moscow, and to equip a new plant at Ufa, in the Urals. This is Smiths' third such contract with the Russians, totalling more than £4m.

Russia is building up industries connected with the automobile sector which is being expanded.

IN BRIEF

Italian deficit

Italy had an overall trade deficit in March of L212bn. (£143m.), compared with a revised L44.1bn. (£29.8m.) in February and L751bn. (£508m.) in March, 1974. March exports increased 21 per cent. to £1.27bn. and imports fell 9 per cent. to £1.42bn. The non-oil account showed a surplus of £154m., raising to £347m. the first-quarter figure, against a non-oil deficit in January-March, 1974, of £636m. Over the first quarter exports rose 28 per cent. and imports declined 4 per cent. Oil imports cost £757m. (£687m.).

Arab Wings

Arab Wings, a Middle East business jet charter service, begins operations on Saturday, offering service any time, anywhere, throughout the Arab World. Owned 80 per cent. by Jordanian World Airways, it has a 20 per cent. Executive Jet Aviation, Columbus, Ohio, interest. Three Learjets and two Mystere Falcon 20s will be operated, having been bought for £1.7m. EJA will provide crews initially.

Pirelli wins second big Russian order

By Tony Robinson

ROME, May 6.

INDUSTRIE PIRELLI, the Italian operating company of the Dunlop Pirelli group, reports its second major contract with the Soviet Union in a week. Worth £16.9m., it is for machinery, "know-how" and technical assistance for a new Soviet plant at Balokovo, 800 kms from Moscow. It will produce 400 different kinds of rubber accessories for the 150,000 trucks per year to be produced at the Kama truck plant now under construction.

Dunlop will participate in both contracts with a £6m. share of the work. Its role will be to provide machinery and expertise through the Dunlop Angus Industrial Group for production of hose and precision-made rubber components. Dunlop Engineering Group will supply equipment for incorporation into tyre-building machines.

THE COMMONWEALTH CONFERENCE

Support for Britain in EEC

'New economic order' is endorsed

BY BRIDGET BLOOM AND J. D. F. JONES

KINGSTON, May 6

THE HEADS of Government of the Commonwealth ended their summit meeting here tonight with an endorsement of the so-called New International Economic Order — the phrase by which the developing countries summarise their demand for a fundamental change in the division of the world's wealth.

But the Commonwealth leaders have only managed to cross the gulf dividing developed and developing member states by directing the problems at issue to a Group of Experts whose terms of reference have deliberately been made extremely — some people here are already saying impossibly — wide.

While the issue of Britain's membership of the EEC was not mentioned in the communiqué and indeed was hardly discussed in the main sessions, the 32 members hre have in fact endorsed British membership in a Note agreed by all but issued separately. The heads of government declared that no member of the Commonwealth felt that its interests had been harmed by British membership and many felt that their own interests would be better protected by Britain remaining within Europe.

Mr. Wilson, in a brief Press conference, said that while Britain had not solicited the statement he was delighted by it. According to Mr. Callaghan, the Foreign Secretary, the issue of the Commonwealth could no longer be a matter of controversy in the referendum campaign.

On the other main theme of this Commonwealth conference —southern Africa—Britain's secret plan to step up pressure on Rhodesia helped make it possible for Britain and the Africans to agree on a form of words for the communique before lunchtime. This is nevertheless the strongest statement the Commonwealth leaders have ever made on southern Africa.

The prospect of a difficult clash between the "reformists" and the "fundamentalists" over the New Economic Order was averted by some skilful diplomacy in the corridors, notably by Mr. Manley early this morning and by the willingness of both sides to seek a compromise. On the one hand, for example, Mr. Wilson was prepared to set his signature to a clause recognising the "need to take immediate steps to a rational and equitable New International Economic Order." On the other hand the Caribbean leaders were able to soften their demand for root and branch restructuring of world institutions (which had much alarmed the PMs present from some of the developed countries) in return for the Group of Experts being instructed to consider the "reform and where necessary the restructuring" of existing organisations.

The situation now is that—as reported in the FT yesterday—a group of 10 experts will meet by late May and is to draw up a programme of practical measures in time to be considered by the Commonwealth Finance Ministers prior to the opening of the UN seventh Special Session at which the debate between the developed and developing world is to be resumed. The experts will work with reference to the charter of the NIEO as well as the Declaration of Singapore and the "concepts and proposals" discussed here at Kingston, including of course, Mr. Wilson's pl[...] for a General Agreement on Co[...]modities.

The section of the communiq[...] devoted to southern Afr[...] revolves around a key clause which the heads of governm[...] "took note of the determinati[...] of the African freedom fighte[...] supported by African and ot[...] states, to achieve their object[...] by peaceful means if possi[...] and recognise the inevitability [...] intensified armed struggle sho[...] peaceful avenues be blocked [...] the rascist and illegal regime.

The leaders then "reitera[...] their support for humanita[...] assistance to the indige[...] people of southern Africa".

As expected, there is to b[...] Commonwealth initiative at [...] UN to ensure financial assista[...] for Mozambique when at inde[...]dence on June 25 the Frel[...] Government imposes sanction[...] Rhodesia.

South Africa comes in for [...]ticular criticism in [...] communique, not only for [...] support of Rhodesia and its [...]fiance of sanctions but also its defence build-up. There is a surprising emphasis on S[...] West Africa: Thus, the hea[...] government stress their deep [...]cern that "South Africa [...]tinues to occupy Namibia [...]ally." The British policy [...] been to describe South Af[...] presence as "unlawful." [...] distinction is not so pettifo[...] as it may seem because the "illegal" points in the dire[...] of possible action in term[...] Chapter Seven of the UN Ch[...] —which is why the British [...]ernment had previously re[...] to use the word.

Not content with this, heads of government reaff[...] that the "fragmentation" [...] Namibia was unacceptable [...] looked forward to the day [...] that country might join the [...]monwealth.

Commodities: Ford sympathetic

BY PAUL LEWIS, U.S. EDITOR

THE BRITISH Prime Minister, Mr. Harold Wilson, will find the Ford Administration basically sympathetic to the political objectives behind his plans for re-ordering world commodity markets when he comes here to-morrow—though still sceptical about the practical advantages.

At the same time, President Ford will reassure Mr. Wilson and other Commonwealth leaders calling in to see him after the Jamaica meeting, that the U.S. still stands by its traditional defence commitments in the wake of the Vietnam debacle, and he will be able to point to new signs that Congress also shares his view.

The U.S. Administration agrees generally with the British Government that the kind of restructuring of commodity markets suggested by Mr. Wilson at Jamaica, could have two broad political advantages.

1.—It might break the alliance between developing commodity producers and the Organisation of Petroleum Exporting Countries by showing that the Western industrial world is prepared to consider new raw material arrangements. This could enable the proposed conference between oil exporters and consumers to get underway without becoming entangled in general commodity questions.

2—An offer to discuss new commodity arrangements would improve the general climate of relations between rich and poor in the world, and prevent another confrontation later this year at the second special UN Assembly on raw materials and aid.

AMERICAN NEWS

U.S. short-term interest rates dro[...]

BY GUY DE JONQUIERES

NEW YORK, Ma[...]

SHORT-TERM money market rates have declined sharply in the U.S. and the long-term bond market has taken on a firmer tone in the wake of the Treasury's announcement that it will need to borrow less heavily than expected during the next two months to finance the Federal budget deficit.

At yesterday's Treasury auction, the average yield on three-month bills dropped from 5.716 per cent. a week previously to 5.358 per cent., the lowest level since January 1973. Six-month bill yields also slackened from 6.158 per cent. to 5.724 per cent.

A similar pattern has prevailed in other sectors of the money market, where yields on both three-month bank certificates of deposit and three-month prime commercial paper have now sunk to about 5¾ per cent. from more than 6 per cent. only a week or so ago.

These declines are viewed by dealers in part as a natural correction to the rise in rates which reflected growing market apprehension in the weeks preceding the Treasury's announcement of its borrowing plans last Thursday.

The market's uneasiness had been aggravated by repeated (and in the view of some, unnecessary) public warnings by Treasury Secretary William Simon about the size of the federal deficit. But because of an unexpected increase in April tax receipts, the Treasury was able to cut its planned borrowings of net new cash by $5bn. to $9.5bn.

The market's renewed confidence has also been bolstered by sizeable purchases of Treasury securities—totalling more than $3bn.—by the Federal Reserve system over the past month. The Fed has also been injecting substantial reserves into the banking system, apparently at a slightly lower intervention level than before.

The bond market has been encouraged by the relatively small portion of the Treasury borrowings — $750m. — to be financed long-term. The Treasury's restraint has soothed concern that its demands could squeeze out would-be corporate borrowers and drive up long-term interest rates.

In the view of some market analysts, long-term rates are likely to remain stable, and may even fall very slightly, during the next few months. However, the size of any fall will probably be severely restricted as corporate borrowers begin moving into the market and take up the slack.

Already, more than half a dozen issuers have hastily announced corporate offerings to be brought to market this week. A number of these issues were planned for earlier in the year but deferred because of poor market conditions.

In the immediate future, the tone of both the short- and the long-term markets is likely to be influenced by the reception accorded the Treasury's $5bn. total borrowings scheduled for this week. If these go w[...] is believed, the improved [...] in the markets could co[...] for several weeks at least.

Looking slightly further [...] the market's behaviour a[...] pattern of interest rate[...] likely to be influenced [...] main factors: the abilit[...] willingness of the com[...] banks to purchase Tr[...] securities and the timin[...] strength of the ec[...] recovery.

The broader economic [...] remains uncertain, thou[...] Wall Street it is bec[...] fashionable now to believ[...] the hoped-for economic re[...] may come later rather [...] sooner.

Editorial Comment, Pag[...]

Varley bid to calm oil industry fears

BY ADRIAN HAMILTON

HOUSTON, Ma[...]

THE 1975 Off-shore Technology Conference opened here yesterday with some 40,000 in attendance, an unusually strong showing from the European off-shore industries and the presence of Mr. Eric Varley, Energy Secretary, to reassure companies of Government intentions in the North Sea.

Mr. Varley, who arrived on Friday, has spent most of the time since then conversing with U.S. oil companies both to explain British policy on the North Sea and to calm some of the industry's fears.

Answering questions from companies at a reception last night, he declared that the Department of Energy was currently involved in talks with Burmah over participation and its North Sea financial problems. He also made it clear that serious negotiations on participation in BP's fields would start "very, very quickly."

The Government, he said, would be prepared to pay its share of future capital expenditure on development and, in individual cases, was prep[...] discuss payment for a sh[...] past costs as well. But [...] that he would not nec[...] promise to pay cash f[...] costs, implying that the [...]ment at this stage is anx[...] avoid any large cash comm[...]

Explaining Governmen[...]tions on the British Natio[...] Corporation, he emphasis[...] the State group's role [...] beginning would be [...] modest," that it would n[...] as a tax collector and would act commercially.

U.S. PRESS

Turning oil into paper

BY LYNDON WATKINS IN NEW YORK

THE CARCASSES of once successful newspapers are littered all over this city. But Mr. John Shaheen thinks that it is time to start up a new one.

Fifteen years ago New York had eight dailies. To-day it has three, or four if you include the nationally produced Wall Street Journal. The last one to fall was the World Journal Tribune, the product of a hasty merger of three morning and afternoon papers. It had a circulation of 700,000 and folded in 1967 after a few fitful months of publication. Labour costs were blamed for the collapse.

The onset of an economic depression may not seem the best time to defy past publishing history by launching a new afternoon newspaper, but Mr. Shaheen is confident that his fledgeling New York Press will not only survive but actually make money. He predicts first-year profits of $9m. to $10m. To prove his point he has just spent $1m. taking 1,800 advertising executives on two four-day cruises to Bermuda aboard the Cunard liner Queen Elizabeth II.

Mr. Shaheen is president of Shaheen Natural Resources Company, which owns oil refineries in Newfoundland, Georgia and California. He says he is entering publishing not to promote his liberal Republicanism but simply to make money.

The start-up of the paper is considerably behind schedule. Mr. Shaheen will not speculate when it will come out, beyond saying that it will happen before the end of the year. October is a reasonable bet, contractors and suppliers of equipment suggest. Mr. Shaheen has hired senior production executives from the Chicago Tribune and the Wall Street Journal to run the paper.

> Compared with London, John Shaheen says that New York's afternoon newspaper scene is "a cemetery."

An editor and editorial staff have not yet been selected.

In content, Mr. Shaheen says the Press will aim to be "50 per cent. New York Times, 50 per cent. Wall Street Journal." It will be aimed at the middle-upper income, college-educated New York commuters. The only afternoon paper available to them at present is the New York Post, a liberally oriented tabloid with a circulation of 600,000. Compared with a city like London, Mr. Shaheen says that New York's afternoon newspaper scene is "a cemetery."

Mr. Shaheen is currently renovating the former Morning Telegraph building on the west side of Manhattan. He has spent $12m. on preparing the building for the Press and expects eventually to spend $20m.

He says that its strength will be the immediacy and impact with which late news can be got to homeward bound New Yorkers. It will use full colour for both advertising and news pictures, it will be produced by photo offset presses, and its production costs will be a fraction of those of the existing dailies here.

Reporters and editors will use video typewriters linked directly with a computer, and computers will be used for type setting, copy storage and production and distribution control. The 400 member staff will be about one tenth that employed by the New York Times.

Advertising rates are expected to be in the vicinity of $2 a column line, compared with an average of about $3.75 in the New York Times. The paper will seek financial, institutional, and retail advertising. It will be broadsheet, probably eight columns wide, in configuration. Initial circulation is projected at 300,000.

One advertising agency executive described it as aiming to be "one third of the New York Times for one third of the cost." This discount approach has worked before in U.S. publishing. Newsweek has provided a useful vehicle for advertisers wanting Time-like impact, but without Time's rates.

Considerable scepticism has been heard since Mr. S[...] first said that he was p[...] to introduce the new pap[...] his QE2 cruise for adv[...] executives heightened credibility. Represe[...] from the top 25 U.S. [...] were on the trip. Nearly [...] impressed. "The concept [...] If he can produce the rig[...] of product, I should [...] definitely has a winner." [...] Morgan, executive vice-p[...] of Welles, Rich, Green, [...] New York agency said.

While none of the existi[...]lishers are likely to welco[...] Shaheen's entry into pu[...] here, Mr. Morgan believes [...] be doing the industry a c[...]able favour. "By introdu[...] this sophisticated equipme[...] will be fighting many [...] automation battles for th[...]

New York Press pu[...] John Olson, says that th[...] will not resist union invol[...] but he hopes that it will [...] to avoid the rigidity wh[...] traditional pattern of [...] management relations [...] created in the publishin[...]

As the Press will be c[...] its own reader market, [...] not seriously cut into the [...]tion of the existing dailie[...] around 2m. in circulati[...] Daily News, a morning, i[...]nerable but some think t[...] comer could take reader[...] both the Times and the P[...]

The Financial Times, published [...] Sundays and holidays. U.S. [...] $190.94 (air freight) [...] Second class postage [...] York, N.Y.

هكذا من الأصل

OVERSEAS NEWS

ATHET LAO ADVANCE THREATENS VIENTIANE

VIENTIANE, May 6.

ATHET Lao forces, backed North Vietnamese, have rced Vientiane troops to treat from the strategic Sala ou Khoune region to pose a angerous military threat to e Laotian capital, military urces said to-day.

There has been sporadic fighting in the area over the past three weeks, with the pro-Communist Pathet Lao driving the Vientiane troops from a number of positions.

Some of the heaviest fighting since the 1973 ceasefire has been around the Sala Phou Khoune crossroads and nearby airfield, 92 miles north of Vientiane.

The military sources said the retreat gives the Pathet Lao extended control over the main road between Vientiane and the Royal capital of Luang Prabang.

Reuter

U.S.-Thailand dispute fate of Vietnam aircraft

BANGKOK, May 6.

MAJOR row flared to-day ween Thailand and the ited States as the U.S. shipped South Vietnamese warplanes inst the wishes of the Thai vernment.

Prime Minister Kukrit Pramoj d newsmen the Cabinet had cided that the planes—flown Thailand by South Vietnamese ots as Saigon fell—should be pt here while the Government de up its mind what to do th them. It appeared, however, that the decision came too e.

Even as the Cabinet met, the S. aircraft carrier Midway— ysically asserting Washington's im that the South Vietnam anes belong to the U.S.— eamed out of Thai waters with some of the aircraft on board. Others, mostly C-130 Hercules transports, were flown directly from U-Tapao air force base in the Philippines, according to the Defence Department in Washington.

The American action caught the Thai Government on the hop —with different ministers voicing different views, Hanoi stating that Thailand's decision would affect mutual relations and the new Saigon authorities staking their claim to inherit the aircraft.

Mr. Edward Masters, U.S. Chargé d'Affaires in Thailand, was summoned to the Foreign Ministry after the Cabinet meeting to be informed of the Government's views. Stressing that it was up to Thailand to decide on the planes, Premier Kukrit said the Government would consider the new Saigon regime's claim to the planes "when peace and order return to Vietnam." The claim should be studied in the context of recognition of the Provisional Revolutionary Government — which Thailand has not yet done—and of relations with North Vietnam.

As the Premier spoke, it appeared that at least half the 125 South Vietnamese aircraft— which include transports and a variety of fighter planes worth many millions of dollars—had been shipped or flown ott of Thailand from U-Tapao base, 110 miles south of here.

Reuter

Refugee convoy expected soon

ARANYAPATHET, May 6.

CAMBODIAN Khmer Rouge diers to-day told journalists Thailand at the frontier near re that a second convoy of ugees from the French bassy in Phnom Penh was ly about 135 miles away.

A group of about 20 soldiers proached the bridge linking e two countries and told waitg journalists they had heard s on radio—presumably a litary link. They also said they lieved this group would be ger than that which contained out 600 people and came across st Saturday after a four-day lorry journey from Phnom Penh. Journalists with that convoy said there were only about 250 people left in the Embassy.

The arrival of the last refugees is expected to release considerable information about the first days of Cambodia under the Khmer Rouge. Journalists in the first convoy agreed to an embargo on all information in order to help ensure the others being evacuated smoothly.

Meanwhile, in Paris, about 360 refugees from the first convoy were tearfuly reunited with families and friends to-day. The refugees, including 125 children, arrived on Board a specia Air France flight from Bangkck.

Meanwhile U.S. intelligence has detected evidence of a second mass execution of military and political officials in the north central part of the country in recent days, informed sources said to-day.

In addition, the sources said, there have been reports of other reprisal killings of a broad spectrum of non-communists in Cambodian provinces in recent days.

Reuter

Saigon calls in arms, uniforms

SAIGON'S ruling military management committee broadcast its first order yesterday— demand that all military ficers and servicemen, policemen and all former Government orkers register between May 8 nd May 31 and turn in all money nd weapons.

A Saigon Radio broadcast said e order must be strictly carried out and that "those who o not report by midnight on May 31 but deliberately hide will e severely punished." In previous Communist terminology in outh Vietnam "severe punishment" has been a euphemism for execution.

With Saigon Radio reports saying the city was returning to normal, the Paris delegation of the Provisional Revolutionary Government (PRG) hoisted their star-studded red and blue Viet Cong flag over the stone mansion which previously housed the South Vietnamese legation. Helped by a group of volunteers from the Vietnamese colony, they were busy cleaning up the offices of the Embassy on Avenue Villiers, near the Arc de Triomphe, for a ceremony scheduled in front of the building last night.

The French Communist Party, the peace movement and trade unions called the rally to demand that France recognise the PRG. PRG officials said their mission has not yet been officially granted consular privileges by France.

The Government of Australia, one of the American allies in the long war in Vietnam, announced it was recognising the new Communist Government in Saigon.

UPI

Curfew eased slightly in Angola capital

LUANDA, May 6.

uthorities in Luanda, where ore than 500 people have died fighting between the two rival eration groups, announced a ortening of the curfew after e city quietened yesterday. oppers flocked to the shops to ck up on scarce food supplies.

uter

Our Cape Town correspondent ports that the South African nsul-General in Angola has en given official authority to gin evacuating South African izens from the territory, if situation there demands it.

It was also reported that the American consulate in Luanda was advising its nationals in the territory to send their wives and children home.

Our Foreign Staff adds: The British Consulate General in Luanda has advised the British community in Angola, which numbers some 400 (mainly businessmen, with some 30 missionaries), to "thin out." This is not yet the prelude, the Foreign Office emphasises, to any evacuation plan on the recent Indochina models—being mainly advice to Britons to send their families home. The consulate itself is tiny, only comprising four people now.

Nevertheless, news reports of the deteriorating situation in Angola, in which British investment amounts to £60m. (chiefly in mining) and to which Britain exported some £21m. of goods last year, have been confirmed. The latest outbreak of fighting between rival liberation movements has not only been more widespread than previously but also involved heavier weapons.

Israelis to put fresh proposals to Ford

BY L. DANIEL

JERUSALEM, May 6.

IN yet another effort to prevent a complete deadlock and a new round of warfare, Israeli circles are working on new proposals to be submitted to Washington before President Ford meets Egyptian President Sadat and Israeli Premier Yitzhak Rabin in June.

According to authoritative sources here, the proposals are of a less ambitious nature than those which Israel put to Dr. Kissinger during his abortive tour of the Middle East. Then Israel aimed at a state of non-belligerency or abstention from the use of arms on the part of Egypt, in return for major Israeli withdrawals in Sinai.

The current thinking is essentially military rather than political. It envisages—according to these sources—a thinning-out of forces by both Egypt and Israel to reduce tension. Another version is a token Israeli withdrawal for a few kilometres to increase the distance between the forward Israeli lines and the Canal.

Either may have been hinted at by Israeli Defence Minister Shimar Peres in his rather cryptic statements late last night that if Egypt implements her intention of reopening the Suez Canal on June 5, Israel will do her best to make the smooth running of the waterway possible."

A thinning out of forces by both sides would aim at paving the way for a broader interim agreement between Israel and Egypt and indicate to Washington that Israel is not guilty of the "inflexibility" of which she has been accused by various U.S. officials, as well as testing President Sadat's good faith.

There is a general concensus of opinion, both in Jerusalem and in Arab capitals, that without adequate preparation the Geneva conference would be doomed to failure.

Arafat seeks Soviet arms

BY OUR OWN CORRESPONDENT

BEIRUT, May 6.

THE TALKS Mr. Yassir Arafat, the chairman of the Palestine Liberation Organisation, held in Moscow in the past few days were not as successful as had been expected, according to diplomatic circles here.

It is said that the commando leader has made PLO participation in the proposed Geneva conference dependent on a guarantee by Moscow that the Palestinians will be invited jointly by the Soviets and the U.S., and that a clear provision upholding the national rights of the Palestinian people will be included on the Conference's agenda. The sources said Mr. Arafat insisted on additional Soviet military supplies to the guerilla movement so it may negotiate from a position of strength. An Nahar newspaper said to-day a "specific agreement" was reached on this subject, but did not elaborate.

Japan ready for Queen

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, May 6.

THE QUEEN'S visit to Japan which starts to-morrow and continues till next Monday is expected to prove something of a landmark in Anglo-Japanese relations, despite the national railway strike which may hamper the Queen's movements during the later stages of her stay.

The visit is the first to Japan by a reigning British monarch, although other members of the Royal Family, including Prince Charles and Princess Margaret, have been to Japan in the past few years.

Britain has evidently been careful not to give the impression that it wishes to exploit the visit for purposes of trade promotion, but a large number of Japanese-sponsored trade events will be taking place while the Queen is in Japan.

Both the U.K. and Japan seem to be making efforts to play down the less satisfactory side of the two country's economic relationship during the Royal visit — that is to say the £250m. imbalance in Japan's favour in bilateral trade.

GNP per capita

THE TABLE lists the 30 "richest" countries in terms of GNP per capita. The figures, compiled by the Union Bank of Switzerland, give in the first column the amount of GNP per capita converted to U.S. dollars at average 1974 exchange rates, and in the second column the percentage of change in real terms in 1974. The figures for Kuwait, France, Belgium, Libya, Saudi Arabia, Venezeuela and Spain are estimates, the bank said.

KUWAIT	11,000	+12.0	AUSTRIA	4,390	+ 4.5
SWITZERLAND	7,270	+ 0.2	JAPAN	4,115	− 1.8
SWEDEN	6,840	+ 4.25	NEW ZEALAND	3,840	+ 5.5
DENMARK	6,800	+ 2.0	ISRAEL	3,470	+ 6.6
UNITED STATES	6,595	− 2.2	BRITAIN	3,385	− 0.5
CANADA	6,340	+ 3.7	ITALY	2,700	+ 3.4
WEST GERMANY	6,215	+ 0.4	SAUDI ARABIA	2,650	+12.0
ICELAND	5,955	+ 3.25	SINGAPORE	2,350	+ 6.8
NORWAY	5,820	+ 3.5	VENEZUELA	2,275	+ 8.0
FRANCE	5,390	+ 4.0	GREECE	2,235	− 1.9
AUSTRALIA	5,370	+ 5.4	IRELAND	2,200	+ 1.0
BELGIUM	5,350	+ 4.0	SPAIN	2,075	+ 5.5
NETHERLANDS	5,145	+ 2.0	HONG KONG	1,620	n.a.
LIBYA	4,950	n.a.	SOUTH AFRICA	1,280	+10
FINLAND	4,540	+ 5.4	IRAN	1,275	+41.0

ALGERIAN ENERGY

Banking on a natural gas future

BY RUPERT CORNWELL, RECENTLY IN ALGIERS

RACE against time," say the cial headlines and exhortas in Algeria, when they talk the planned transformation of country from a French ony in 1962 to an integrated ustrial power before the end this century. The deadline is 5, when the modest reserves oil, Algeria's main export, run , and the country can no ger use them to purchase oad the capital equipment it desperately needs.

y that date, according to cial doctrine, the bulk of a sh industrialisation programme will have been comed, and thenceforth natural exports, and manufactures be sufficient to keep the nomy ticking over. But more ckly than most people expec- these assumptions and the plicated financial equations ch support them have been into doubt.

f all OPEC members, Algeria haps is the most vulnerable sudden drop of oil demand. production, at 50.8m. tons in and barely over 49m. tons year, makes it a minnow by C standards, with an annual ut of less than any other ber with the exception of r, Equador and Gabon. The nd National Plan (1974 to) had seen investment inten- revised upwards to DA110bn. bn.) from the originally duled DA54bn., simply on assumption that the country d continue to sell its oil at $14 per barrel that it was bing early in 1974. Since prices have drifted lower. world market is in a state lut that recession and two winters in Northern Europe done nothing to reduce. every other producer, if er more reluctantly, Algeria been forced to lower its e. It has come down lately 11.75 per barrel.

Lower than this we will not go," says Industry Minister Belaid Abdessalam. "To cut the price will not enable us to sell more oil." Despite this predictable scorn for market economics, Western experts believe that Algerian oil is in fact effectively selling at less to-day, thanks to extended credit facilities from the State energy concern, Sonatrach. Just how much less, of course, is a well-kept secret, but it has been estimated that a price of $10.75 to $11.25 would be competitive with oil from the Gulf, given the cheaper transport costs to Europe from Algeria. The signs are that even this will not stop the rot. As the Algerians have grasped, the only way to keep high prices and high production is to ensure that the OPEC cartel holds; and the explanation for their bitter defence of the producers' organisation is to be found as much in self-interest as in any idealistic crusade on behalf of the Third World.

Prospect

The signs are that production will slip further. The best guesses suggest an output in the 42m. to 45m. tons range during 1975; the exact figure obviously depends to a great extent on just how fast the industrialised world pulls out of the present economic depression. In any case, the target of 59m. tons for 1977, the final year of the current Plan, looks highly improbable.

Nor does Algeria have much prospect of being anything other than a second-rank oil producer. After a massive search in the Sahara, the largest deposits remain where they have always been, at Hassi Messaoud. If extraction continues at the current pace, total proven reserves of just under 1bn. tons that can be exploited (barely 1 per cent. of total world reserves) will give out within 20 years. The hunt for fresh oil continues—as last month's $90m. exploration agreement between Sonatrach the publicly owned energy corporation and the French CFP group shows—but the petroleum industry is now fairly sure that Algeria's southern sands have little more to offer, apart from small finds that are marginal at best.

But Algeria does have gas, and in colossal quantities. It is the world's largest exporter, and World Bank estimates, which may well be conservative, put overall deposits at 3,000bn. cubic metres, about 6 per cent. of world reserves. Rather than oil, it is gas which will have to ensure the long-term success of the country's industrial revolution and stand surety for the large capital market borrowings that the Algiers regime will have to make in the next few years. The northern Sahara field of Hassi r'Mel may contain the bulk of those 3,000bn. cubic metres on its own, while there are high hopes of other major finds around Timmimoun some 400 miles to the south-west. The gas is rich too, containing a gasoline condensate which ultimately adds up to 10m. tons of the country's orthodox oil output.

Contracts

Unfortunately for Algeria, severe technical and financial obstacles have to be overcome before that gas can find its way to the consumer nations. Natural gas is not the same money-spinner that oil is: its transport is more difficult, to which must be added the costly processes of liquefaction and delivery to markets. The price of an LNG tanker can be £40m., while the new liquefaction plants at Arzew in the West will probably cost more than $1bn. apiece.

In consequence, the frequent claim that Algeria has contracts to sell some 76bn. cubic metres of gas by 1980 must be treated with great caution. At the start of this year, existing exports and definitive contracts added up to little more than 20bn. cubic metres; essentially the first Camel deal with the U.K. and France (and now Spain) that dates back to 1964-65, the three operational plants at the Eastern port of Skikda which provide Gaz de France with some 3.9bn. cubic metres annually, the first El Paso contract for 10bn. cubic metres, and other supplementary sales. The other 56bn. cubic metres is being negotiated, renegotiated or merely dreamed of. A second 10bn. cubic metres El Paso contract is being held up by a wrangle about terms with the U.S. Federal Power Commission. In essence the Americans want a fixed price, while the Algerians who will have to put up the money, want a formula that ensures that they will not be the victim of damaging cost over-runs.

Strategy

Similar problems are bedevilling the celebrated Eurogas deal, whereby Algeria would supply 15.5bn. cubic metres to a consortium of European gas companies. Once it seemed clinched, but the German and Austrian members pulled out over the price sought by the Algerians. Discussions, Mr. Abdessalam says, are continuing, but despite the good intentions aired by Presidents Boumedienne and Giscard d'Estaing this month—and the possibility of extra Gaz de France purchases—it is impossible to say what the outcome will be. Other schemes to be finalised include a huge projected deal with ENI of Italy, a contract with Spain, as well as possible sales to other U.S. gas companies.

Part of the trouble is that Algerian gas is having to compete in Europe with Soviet, and now Iranian gas, enabling buyers to shop around much more carefully before committing themselves. As for the U.S., Western experts consider that the East Coast only is a feasible outlet. At an estimated landed price of $1.85 or so per 1,000 cubic feet, Algerian gas would still be cheaper than the Canadian gas for which the U.S. is at present paying $2. But it would be unwise for President Boumedienne to rely too heavily on a customer who is unlikely to give a radical, and sometimes overtly hostile, Third World nation overmuch consideration when planning his energy strategy.

The other major difficulty is technology. Mercury corrosion and compression troubles at Skikda have meant that only at the start of April did the three separate LNG units work together for the first time. Now, it is claimed, things have been sorted out, but the forefront of a new technology can be an unpredictable and costly position.

In the medium term it can scarcely be doubted that huge contracts will go through: Algeria has to sell its energy, and the world market is unlikely to remain depressed for very long. New pipelines from the Sahara, the tankers on order, and the new units for liquefaction (three apiece at Skikda and Arzew) will not be idle. But the implications of the renegotiations of contracts are plain—that Algeria itself will have to put up far more of the money required than she thought at first. How the planners will handle the impact on state finances can only be guessed: but without any doubt for Algeria the golden energy egg is looking tarnished.

Portuguese Communists, Socialists repair rift

BY JANE BERGEROL LISBON, May 6.

TOP RANKING delegations of the Communist and Socialist Parties, led by Party Secretaries Dr. Alvaro Cunhal and Dr. Mario Soares, met for several hours late last night in the Lisbon Communist Party headquarters to discuss co-operation and a platform of agreement on current political problems.

The meeting must also reduce tension between the two rival parties as the time for elections to Portugal's unions approaches, with the attendant risk of confrontation between militant rival union officials. It is part of the Armed Forces Movement's continuing effort to stop polemics between the two parties and get the Fourth Coalition Government on to a workable footing. Commenting on the meeting, Dr. Mario Soares said Communist and Socialist supporters had several times been at each other's throats and "any continuation of this situation could endanger the political process, deeply dividing the working classes."

The Socialist Party Secretary General said that Socialist democracy could not be built in Portugal without both his party and the Communists: "Both parties must take this fact into account and make a serious effort—not limited to intentions and declarations—to reach an agreement."

A joint communique issued in the early hours of this morning said the two delegations wanted to defend liberties and victories in the field of nationalisation and agrarian reform, achieved since April 25. Nothing, however, was said of the Trades Union Law, passed against fierce Socialist and Popular Democrat opposition, and it remains highly improbable that Dr. Soares' Party will agree to toe the Communist Party line on the vexed question of union organisation and confederation under the Communist-dominated Intersyndical Congress.

Minimum requirement of the Armed Forces, in this period leading up to union elections throughout Portugal, would be for both parties to agree to contain their grass roots militants and do everything possible to defuse union militants' aggression, to avoid the kind of generalised confrontations between Communist and non-Communist union officials that have already in the past led to fistfights, intimidation and improper elections. A new round of trouble in the Northern Chemical Union began yesterday with strikes planned, continuing the fight for control of chemical workers between the Communist Party and the AOC (Workers and Peasants Alliance) which led in March to imprisonment of AOC officials.

Meanwhile a new political battle over local government elections is hotting up.

In an unusually tough statement, the Popular Democrats (PDP), who won the second largest vote in the April 25 elections, strongly protested against the monopoly of local council posts held by the Communist-dominated MDP-CDE Party, which, it points out in a communique, won only 4 per cent. of the national vote. In the statement, the PDP says local authorities and civilian governors are almost totally MDP-CDE, "a minority party considered increasingly by the people an appendage of another party, without either an ideology or a life of its own."

The PDP also calls for elections for local authorities "as free as those of April 25," and proposes that local government reform should be placed in the hands of elected reform commissions and not in the hands of Government appointees. Both the Socialists and Popular Democrats, in the wake of their April 25 election success have begun pressing in earnest for such local elections, but they face opposition from both the Armed Forces Movement (AFM) and the Communist Party and revolutionary Left.

OECD raw materials analysis under study

By Robert Mauthner PARIS, May 6.

THE OECD Executive Committee to-day examined possible ways of tackling the problems facing raw material producers, in preparation for full-scale ministerial discuscussions of the subject at the end of this month.

High officials from the member countries had before them a detailed analysis by the OECD Secretariat of various international solutions to the problems of raw materials, including, among others, product-by-product agreements, long-term commodity contracts and the creation of buffer stocks.

Although no general consensus has emerged, there was a general tendency to play down the need for short-term emergency action which, it was thought, would prejudice the working out of long-term solutions, which everybody considers necessary.

There was no indication, however, that any of the OECD nations, with the exception of France, were prepared to make another attempt to settle the problems of raw materials at a conference between producers, consumers and developing countries, similar to the ill-fated exercise in Paris last month.

Sir Peter Thornton, Permanent Secretary at the British Department of Trade, was understood to have devoted most of his time to explaining in greater detail the six-point proposal for a general agreement on commodities, put forward by Mr. Harold Wilson, the British Prime Minister, at the Commonwealth heads of state conference in Jamaica last week.

It is not until to-morrow that Sir Peter is expected to inform the other member countries of Britain's willingness to endorse a one-year extension of the so-called OECD "trade pledge," a joint undertaking not to take any measures restricting trade, originally adopted last year.

TURKISH CYPRIOTS

North of the Attila line

BY METIN MUNIR RECENTLY IN CYPRUS

TURKISH CYPRUS Airways is the smallest airline company in the world. It has one passenger jet, an F-28, and even that is on loan from the Turkish Airways. But that does not worry the company. After all it serves one of the smallest communities in the world — 120,000 people if one does not count some 30,000 mainland soldiers who fly at reduced prices. It uses one of the world's smallest airport terminals — a small prefabricated building 50 by 10 yards, housing customs, immigration, air traffic control. The plane takes off almost as soon as the doors close, swerves sharply to the north to avoid flying over Greek territory, and a few minutes later is cruising over the Mediterranean Sea towards Ankara.

But size is not the point. The Turkish Cyprus Maritime Company does not yet have even one vessel, chartered or otherwise. The point is that nothing demonstrates so clearly as this tiny airline that for all practical purposes Cyprus is now a divided island with two peoples and two administrations.

A sign in front of the terminal building bids in English and Turkish "Welcome to the Turkish Sector of Cyprus." Turkish soldiers with fixed bayonets loiter on the tarmac. Passport control is by Turkish Cypriot police, and customs officials belong to the newly established Customs Department of the Turkish Cypriot Federated State. The airport, formerly Tymbou but renamed after Maj. Ercan who was killed in the fight to capture it, is connected to the Nicosia-Famagusta highway by a new road built by the Turks. In the villages on the way to Nicosia one does not encounter a single Greek Cypriot. The women sitting on verandahs peeling potatoes are all Turkish Cypriots. The Greeks fled to the South last summer after the war.

The stamp banged on passports at Ercan Airport bears the insignia of the Turkish Cypriot Federated State and the Greeks, like Arabs reacting to Israeli visas, bar their zone to persons with this stamp on their passports. Even Turkish Cypriots, who are technically citizens of Cyprus, are not admitted by the Greeks if they enter Cyprus through the Turkish Zone.

Similar signs of division abound all over the North. In Kyrenia all Greek road signs and advertisement posters have been painted over in white and now carry inscriptions in Turkish and English alone. In Morphou, the town standing in the middle of the rich citrus groves in the west, where one sees the rare spectacle of orange trees bearing leaves, flowers, and fruits simultaneously, 8,000 Turkish Cypriots have been settled in Greek homes. The Cyprus Broadcasting Corporation's TV reflector on the Kyrenia Range is being used to transmit Turkish mainland TV. The old colonial post office in the

> For all practical purposes Cyprus is now a divided island with two peoples and two administrations.

Turkish quarter of Nicosia is selling new stamps of the Turkish Cypriot Federated State. The list is very long and indicates that the Turks are very seriously in the process of putting flesh over the skeleton of the federated state born last February 13.

Turkish Cyprus Airways is one of seven companies formed after the war to take charge of enterprises abandoned by the Greeks and their foreign partners in the north and to fill the vacuums of supply created by the division of the island. All but one of these ventures are joint enterprises of Turkey's state-owned companies and their Turkish Cypriot counterparts with roughly equal equity holdings. They are the Turkish Cyprus Tourism Enterprises, Petroleum Company, Maritime Company, Tobacco and Alcoholic Beverages Company (not in production yet), the Industrial Enterprises Holdings, and the Cyprus Fruit and Vegetables Export Company (CYPTRUVEX). The latter is entirely financed by Turkish Cypriots, probably to prevent the Greek Cypriots from making difficulties for the sale of fruit and vegetables abroad. The directors of all of these companies and some of the top managers are mainlanders.

However, private enterprise is intended to be the driving force of the economy. Wherever possible individual concerns controlled by these companies will be leased—as in the case of hotels and some 200 industrial enterprises—to private enterprise. That includes Turkish private enterprise from Turkey and Cyprus as well as Turkish people abroad in places like Britain, Canada and Australia. Turkish mainland participation in these companies and many other fields of the economy and administration has been necessitated by the need for imported capital, know-how, and managerial skills which are in short supply in the north.

Most of the homes left behind by the 200,000 Greek Cypriot refugees, who are now squeezed in the South, have been distributed to 40,000 Turkish Cypriots from the South. Apart from Maras, the modern part of Famagusta, and a few Greek Cypriot townships near it, virtually all abandoned settlements now have Turks living in them. The land is in the process of being distributed

Turkish Cypriots have control of 40 per cent. of the island whose peacetime contribution to the GNP was between 50-60 per cent. They have 80 per cent. of the island's citrus groves, most of the tourism industry (13,000 beds), which was centred in Kyrenia and Famagusta, and the Mesoria wheatbasket, not to mention a sizeable portion of the island's small and mainly tourism-orientated industries. The citrus crop this year was half of the peacetime amount because of neglect caused by the war, or about 100,000 tons of which a quarter is being exported to Britain and the rest of Europe. The citrus groves have been saved from destruction. Tourism has been very small and virtually reserved to mainlanders, but the tourist season this year has just opened and 30,000 tourists are expected from Turkey. About 60 per cent. of the wheat, barley, and animal-feed lands have been sown and there may be a surplus.

There is a lot of international scepticism whether the Turkish Cypriots will be able to reactivate all of these resources and bring them up to their pre-war production levels. There are many reasons to support these doubts. The Turkish Cypriots lived under virtual siege for the past decade and were almost entirely evicted from the island's production economy except from agriculture. There is a shor[tage] of managerial skill, capita[l], hard currency, know-how, a[nd] skilled labour, and, indeed co[n]sidering the diversity and she[er] amount of what the Turks no[w] have compared with what th[ey] had before, any sort of labo[ur].

On the other hand there [is] considerable mainland aid in [all] forms, as well as realism a[nd] enthusiasm and in the long r[un] it will be these factors whi[ch] will largely determine the [...] shaping of the north's econom[y]. The budget this year is o[ver] £333m. Last year it was £16[...]. Over half of this year's bud[get] income will come from [...] loans from Turkey and the [re]mainder from local revenu[e]. Sixty per cent. of the budget [is] planned to go towards curr[ent] expenditure and the remain[der] into investments. Almost all [of] this latter category will go [to] infrastructure which is the m[ain] bottleneck—it takes less t[ime] to drive to Kyrenia from Nic[osia] than to telephone that to[wn]. Roads will be built, telec[om]munications improved, the port expanded and moderni[sed] and fuel depots and electri[c] installations erected.

The Turkish Cypriots' ef[forts] so far to re-interest establi[shed] foreign business in the n[orth], mostly British, have been u[nsuc]cessful. Virtually no privat[e] corporate body with industri[al or] commercial enterprises in [the] north responded to the of[ficial] request to resume operation[s by] March 31. Foreign privat[e] corporate bodies have been [given] until June 30 this year to [regis]ter their ownership of mo[vable] or immovable property or [com]mercial and industrial e[nter]prises now in Turkish hand[s]. So far just over 70 per cen[t. of] foreign property has been r[egis]tered. But even if the dea[dline] expires there is no threa[t of] nationalisation or threat of [loss] of rights. The Turkish Cy[priot] administration is aware of [the] magnitude of problems inv[olving] foreign property and the ti[me it] will take to settle all claims.

The work accomplished [in] the past ten months since [the in]vasion gives some reason t[o sup]pose that the Turks will be [able] to make the economy o[f the] north a going concern soo[ner or] later. "It will be our pol[icy at] all costs to reactivate [the] economic resources of [the] Federated Turkish state," [Mr.] Tansel Fikri, the 28-y[ear-old] secretary general of the T[urkish] Cypriot Chamber of Co[mmerce] and Industry said.

EEC will sign Israel trade deal

By Reginald Dale

BRUSSELS, May 6.

ISRAEL and the Common Market are to sign a new commercial agreement, providing for an almost complete liberalisation of trade, on Sunday, May 11, in Brussels. Meanwhile, the Community is to press ahead with negotiations for similar agreements with the three Maghreb countries—Algeria, Tunisia and Morocco—in order to maintain a political and economic balance between Israel and the Arab nations.

German jobless

The number of unemployed in West Germany dropped slightly in April for the second month in succession—but the total remained at more than 1m. and the number working short-time has risen, writes Jonathan Carr from Bonn. Unemployment in April fell by 0.2 per cent. to 1,087,100. The total on short-time rose by 56,200 last month to 899,600.

U.S.-KLM dispute

THE U.S. and the Netherlands have agreed on a truce in their dispute over American demands that KLM Royal Dutch Airlines cut its transatlantic seating capacity by one half. Dutch Transport Minister Tjerk Westerterp said to-day. Mr. Westerterp told the Upper House of Holland's Parliament that he and U.S. Assistant Secretary of State Thomas Enders "agreed to disagree" following an April 30 Amsterdam meeting. AP-DJ reports from The Hague.

Italian output falls

The March Italian industrial production figures—which show a 14.3 per cent. decline compared with the month a year ago—underline the price which is being paid for the reduction in the rate of domestic inflation and the sharp improvement in the balance of payments, writes Anthony Robinson from Rome. March is the sixth month in a row to show a sharp decline. The index dropped 14.8 per cent. in January, 7.3 per cent. in February to give an average drop of 12.3 per cent. over the first quarter.

Finnish elections

Finnish Prime Minister Kalevi Sorsa has predicted that his coalition Government would resign at the end of this month or in the beginning of June and that a general election would be held in the autumn instead of next year as due, writes William Dullforce from Stockholm.

French steel strike

The two largest French trade unions backing the strike by 20,000 steel workers at the Usinor complex at Dunkirk appeared yesterday to be trying to spread the dispute to other steel producing areas, writes Giles Merritt from Paris. The Communist-led CGT and the Socialist CFDT have also called on workers at two other Usinor plants to join the dispute — at Denain and Trith-Saint-Leger.

French offer future partnership for countries buying Mirage now

BY GILES MERRITT PARIS, May 6.

WITH THE four Nato countries involved in the "arms deal of the century" clearly deadlocked over a joint choice of a combat aircraft to replace their ageing F-104 Starfighters, France to-day launched a fresh effort aimed at securing the contract for the Dassault-Breguet Mirage F-1 M53.

French Defence Minister M. Yvon Bourges to-day invited France's EEC partners to produce the Mirage fighter in co-operation with Dassault. Speaking to a Paris Chamber of Commerce lunch, M. Bourges stressed that a joint enterprise of this nature would be "the starting point of a fully fledged European aircraft industry which would meet our needs to the year 2,000 and beyond."

As an inducement to the four Nato countries—Belgium, Holland, Norway and Denmark—to choose the Mirage F-1 M53 in favour of the cheaper YF-16 produced by General Dynamics of the U.S. which is apparently favoured strongly by the two Scandinavian countries, M. Bourges went on to say that if the Mirage was selected France's partners would also be included in future Dassault projects. He stated that members of the proposed new European military aircraft partnership would be associated in the development of the projected ACF (avion de combat futur), a sophisticated low-level fighter-bomber that France intends to bring into service in the 1980s.

Belgium and Holland have still to commit themselves on their choice, but it is clear that, with the April deadline for a decision by the four countries now passed, the Mirage is in danger of being rejected. All four prospective purchasers are reported to have found the YF-16's performance superior and Dassault is understood to have made a last minute attempt to close the 7 per cent. price gap between the two aircraft.

With price and performance therefore edging the Nato purchasers slowly towards the General Dynamics product, M. Bourges to-day appealed to the customers' European consciences. "The replacement of the F-104 Starfighter by a European aircraft," he said, "is the test of our neighbours' will to build a European aircraft industry which could be extended to many other fields of co-operation."

Britain will increase aic[d] to world nuclear agenc[y]

BY DAVID EGLI GENEVA, M[ay 6.]

IN THE FACE of mounting criticism from the non-nuclear-weapon States that the superpowers had not made as much headway as they might have in meeting their treaty obligations over the past five years, the British Minister of State for Foreign Affairs, Mr. David Ennals, urged a positive approach to the tasks facing the four-week Nuclear Non-proliferation Treaty review conference here.

Mr. Ennals spoke of a need for greater assistance, especially to the parties to the treaty, in the development of peaceful uses of nuclear energy. Britain, he said, would announce additional voluntary aid contributions (of unspecified amounts) at the International Atomic Energy Agency conference in September —these to be administered so that parties to the treat[y] be the "sole beneficiarie[s]."

On the issue of p[eaceful] nuclear explosions, Brit[ain] proposed a special adviso[ry ...] that would study the impl[ications] of such techniques and [bring] potential suppliers an[d cus]tomers together. H[owever,] Britain's view remained [that it] was still not possible to [draw a] clear distinction betw[een] nuclear explosive devi[ces for] peaceful purposes and [for] weapon development.

U.S. and Russian state[ments to] the conference followed [the] lines of argument in d[efence of] the treaty.

Mexico, reflecting the [views of] many non-nuclea[r] countries, suggested th[e drawing] down of a form of time[table for] action by the superpo[wers on] their treaty obligations.

Mindszenty dies in exile

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

CARDINAL Joszef Mindszenty, the exiled Primate of Hungary and life-long opponent of Communism, died in a Vienna hospital yesterday aged 83. According to the Catholic news agency Kathpress, he died of heart failure after undergoing an operation for a urinary ailment.

Although Cardinal Mindszenty's stubborn resistance to Communism was in the end a source of some embarrassment to the Vatican, which wanted to normalise relations with East Europe, his earlier heroism and endurance are certain to earn him a place in the annals of the Catholic Church.

Mindszenty was ordained in 1915 and appointed Hungarian Primate in 1945, a position from which he waged active and highly personal resistance to Communism, and particularly the "peace priests" appointed by the new regime, as he saw it, to subvert the true church.

His struggle reached a peak in 1948 when he was arrested on charges of treason and espionage, and sentenced to life imprisonment. Seven years later he enjoyed three hectic days of freedom during the Hungarian uprising, only to be driven into the refuge of the U.S. Embassy where he remained for the next 15 years, an increasingly anachronistic and lonely figure as Hungary settled down under the new order.

In the end, perhaps sensing his own impotence and under strong Vatican pressure, he agreed to go to the West, but only on condition that he be allowed to retain his titles and continue his struggle.

This condition was granted, but later reversed by the Vatican which in 1973 appointed new leaders of the Hungarian Church. Mindszenty ended his days in Vienna, still active in the international church, but as his recently published memoirs show, finding it hard to forgive the Vatican for the way he had been treated.

NOR-SHIPPING 75 CONFERENCE

The 'flag of convenience threat'

BY FAY GJESTER OSLO, May 6.

COMPETITION FROM flag of convenience ships represents "a very real threat to the continued existence and expansion of the traditional maritime countries' fleets," a speaker told delegates to the Nor-Shipping 75 world shipping conference here to-day.

Mr. Kristian von Sydow, director of the Swedish Brostrom shipping group, pointed out that these ships now represent about 35 per cent. of total world merchant tonnage. The period of sub-standard old vessels with poorly paid crews was largely over, he said.

"Instead, we are facing fierce commercial competition from modern ships, efficiently run and manned." Their officers and crews are often men trained in the maritime countries and now employed under highly favourable conditions which "none of us can match." Their salaries are tax free, so that—for example —"a Swedish operator would have to pay more than 2.5 times as much to a deck officer in order to give him the same net pay and other benefits" as he could get on a flag of convenience ship, Mr. von Sydow said.

This was a political problem which "we shall have to attack very shortly" he went on. Mr. von Sydow was speaking at a dinner after the first day of the two-day conference, organised by the Financial Times, the Nor-Shipping 75 exhibition, Fairplay International shipping weekly and four Nordic newspapers.

The problem of flag discrimination and protectionism generally was highlighted by several speakers during the conference morning session, and there was praise for the U.S. decision to vote against the UNCTAD convention regulating liner trade. The convention, which aims at a share-out of liner cargo between importing and exporting countries, would leave only about 20 per cent. to be carried by third country ships.

Mr Halfdan Ditlev-Simonsen, President of the Norwegian Shipowners' Association, described the measure as "the most serious formal limitation of the right to compete freely for cargoes" and said it was "in direct conflict with efficient and modern shipping."

While the U.S. had sometimes in the past seemed to favour discrimination in world shipping, Norwegian shipping men had noted with "the greatest satisfaction" the U.S. vote against the UNCTAD convention. Mr. Ditlev-Simonsen also applauded President Ford's decision to veto a Bill which would have given preference to U.S. ships for up to 30 per cent. of oil imports, and his recent report to Congress warning against the spread by bilateral measures in international shipping.

Clearing bank advances down by £107m.

BY MICHAEL BLANDEN

FURTHER EVIDENCE of the sluggish demand for bank loans is provided by the mid-April figures published by the London clearing banks, showing a drop of £107m. in sterling advances to U.K. residents.

The figures underline the pressure on the banks, which have ample funds available for lending, to hold down their interest rates despite the recent signs of a new upturn in the general level of short-term rates.

The increase in the Bank of England's minimum lending rate last Friday has been widely interpreted in the City as a move to help the pound against the pressures it has recently experienced in foreign exchange markets.

Yesterday, the pressure on sterling eased. In a good two-way activity in the market, sterling ended the day with its effective depreciation unchanged at a record 23.3 per cent., with no sign of significant support from the Bank of England.

Against the dollar, the pound lost a little ground at $2.3385, a drop of 30 points.

It is argued in the City that there could be further upward pressure on short-term interest rates in the next month or so as a result of the Government's need for short-term finance because of its heavy deficit.

Gilt-edged

This is expected to be reflected in a continued high level of Treasury bill offers at the weekly tender.

This Friday, a total of £300m. is on offer, and could prompt another rise in bill rates possibly by enough to lift MLR again.

Over the next month, it is estimated by bankers, borrowing requirements of some £400m. net may have to be met, and the gilt-edged market in the present uncertain conditions may not be able to supply much of the finance.

Signs are that the authorities may not want to see too rapid a rise in short-term interest rates, however, and the big banks remain anxious to hold their lending rates down to encourage new borrowing.

The drop in lending in the past four-week period reflected largely the normal seasonal pattern, after the end of the tax-gathering season in the first three months of the year. It showed up, the banks report, primarily in the manufacturing, construction and distribution sectors.

Against this, personal lending—where the banks after a long period of decline have started cautiously to encourage new borrowers—showed a slight increase. This is thought to reflect pre-Budget spending and may have continued into the current make-up period.

The banks continued to enjoy an inflow of current account funds, partly offset by a fall in deposit accounts. Overall, sterling deposits by U.K. residents rose by £220m. in the period to mid-April.

With these funds flowing in, the banks have repaid £269m. of outstanding sterling certificates of deposits, reducing their reliance on "wholesale" funds and effectively putting money back into the inter-bank market.

The figures suggest that the recent trend for the money supply on the narrow definition (M1), which reflects particularly the movements in current accounts, to rise more rapidly than M3, the wider definition which includes deposit accounts, may have continued in the period. This is also indicated by Bank of England showing a rise in the banking sector's eligible liabilities but a fall in the interest bearing part of them.

The London clearing banks show a reserve ratio down from 13.7 to 13.3 per cent.—reflecting largely erratic movements in Barclays' figures—indicating a relatively easy position.

Clearing Bank figures, Page 24
Editorial comment Page 18

More business for airports

PASSENGER traffic through the Scottish airports of BAA is rising again after the winter setback.

Figures released yesterday show that during March there was a 7.4 per cent. increase in aircraft movements compared with the corresponding month of last year.

Because of the electricians' strike, which closed down Glasgow Airport, passenger traffic dropped by 26.2 per cent. and freight by 34.1 per cent.

Jobs charter for Ulster

BY JOHN BOURNE, LOBBY EDITOR

GOVERNMENT legislation to make it unlawful for a Northern Ireland employer to discriminate against a person on the grounds of his religious belief or political opinion was published in the House of Lords yesterday.

Called the Fair Employment (Northern Ireland) Bill, it gives priority to the voluntary approach to the promotion of equality of opportunity, and to conciliation in securing equality.

The Bill provides for an independent Fair Employment Agency which will issue certificates entitling employers who accept the aims of the Bill to call themselves "equal opportunity employers" or "equal opportunity organisations." The public will have access to a register of these employers.

The Agency will have the power to investigate whether the employers are failing to provide equality of opportunity. If this is not given, or complied with, the Agency will be empowered to issue a direction for the abandonment or modification of any offending practices. This direction will be enforceable through the county court, but there will be a right of appeal to a Fair Employment Appeals Board against such directions.

The Bill will not apply to employment as a clergyman, to employment in a private household, and companies employing not more than 25 people will be exempted for two years; after enactment. Those employing not more than ten will be exempted for three years. Exception is also given for the employment of schoolteachers.

Our Belfast correspondent writes: The Ulster Convention was formally launched by the Secretary of State, Mr. Merlyn Rees, when he made an order calling its first formal meeting for Thursday.

Cosgrave takes hard line

BY DOMINICK J. COYLE

DUBLIN, May 6.

A HARD line statement in support of power-sharing in Northern Ireland and for "appropriate recognition" any new form of administration there of the so-called Irish dimension, came this evening from Mr. Liam Cosgrave, the Prime Minister of the Irish Republic.

He was making a special statement in the Dail (Parliament) following an extended Cabinet meeting which reviewed the results of last week's Ulster Constitutional Convention election and the overwhelming success of loyalist candidates opposed to power-sharing with representatives of the minority.

Mr. Cosgrave's statement today effectively disowned the controversial comments made here at the week-end by Dr. Conor Cruise O'Brien, one of his own Ministers, who said following elections that power-sharing with the predominantly Roman Catholic Social Democratic and Labour Party (SDLP) could not now be imposed on Ulster loyalists.

BRITISH LEYLAND'S TOP MANAGEMENT

BOARD OF DIRECTORS
Chairman
(to be appointed)
Chief Executive
A. PARK

CENTRAL STAFF

SECRETARIAL LEGAL & CORPORATE AUDITOR
Director
R. J. LUCAS

FINANCE PLANNING & CONTROL
Director
G. A. WRIGHT

PERSONNEL
Director
J. P. LOWRY

PRODUCT DIVISIONS

CARS
Managing Director
D. WHITTAKER

TRUCKS & BUSES
Managing Director
R. ELLIS

INTERNATIONAL
Managing Director
D. ANDREWS

SPECIAL PRODUCTS
Managing Director
D. ABELL

The Ryder Report on British Leyland recommended that the new Board of the corporation should consist of eight senior executives, with a non-executive chairman and three or four part-time non-executive members. The eight executive members have now been announced and are shown in the chart; three of the eight—Mr. Lucas, Mr. Lowry and Mr. Ellis—are confirmed in the positions they held before the Government intervention. The chairman and the non-executive directors have not yet been named.

Apart from the chairman, the most important appointments still to be announced involve the senior positions in the car division, reporting to Mr. Whittaker, the managing director. These include the four top "line" jobs—covering sales and marketing, manufacturing, product planning and engineering, and parts and KD.

The division will also have three top "staff" executives—covering finance, systems and personnel. It is expected that much of the present corporate staff, based in London and Coventry, will be transferred to the car division; this will be part of a wide-ranging reorganisation affecting Austin-Morris, Rover Triumph and Jaguar.

Within the international division a key appointment will be that of director for Europe—a position at present vacant. The most difficult organisational problem, however, will lie in the inter-relationships between the international division and the two main "product divisions"—cars and trucks and buses.

ICI call for higher executive salaries

By Peter Foster

LOW EXECUTIVE salaries make it increasingly difficult to manage an international company from the U.K., Imperial Chemical Industires told the Royal Commission on the Distribution of Wealth yesterday.

In written and oral evidence to the commission the company pointed out it was virtually impossible to attract foreign executives to the U.K., while British executives were reluctant to return home once they had experienced the much higher salary levels in Europe and elsewhere.

At the same time, due to high marginal U.K. income-tax rates, it was impossible to increase net incomes sufficiently because the gross income increases necessary would be socially unacceptable.

Senior managers in ICI had experienced a general deterioration of their position over the last five years, despite the fact that profits had trebled in the time.

"While weekly paid members of their staff have, over the five-year period, seen their take-home pay (after tax and in constant £s) increased by up to 25 per cent., they have seen theirs stationary or declining by up to 15 per cent."

ICI pointed out that the after-tax pay of its chairman was only a third of that of the chairmen of the three major German chemical companies and an even smaller fraction in the case of U.S. companies.

In addition, there were 60 employees of ICI overseas subsidiaries whose after-tax pay exceeded that of an executive director of the Board.

The company strongly rejected the claim in earlier evidence to the commission by the Transport and General Workers' Union that managers enjoyed extensive fringe benefits. Managers received no "perks" at all except for motor cars, which were a taxable benefit, it stated.

Representatives of ICI stressed to the commission that punitive tax rates meant some executives turned down promotion and additional responsibility because the net financial rewards were too small.

Its evidence concluded: "The company's case is not merely that there should be no further impositions on this group of employees but that action is needed to see that their relative position is restored."

Energy scientist heads offshore research Board

BY DAVID FISHLOCK, SCIENCE EDITOR

RESPONSIBILITY for offshore energy research and development is being transferred from the Department of Industry to the Department of Energy, Mr. Eric Varley, Secretary for Energy, told the Commons yesterday in a written reply.

A new advisory Board with a budget this year of £5.5m. is being set up under the chairmainship of Dr. Walter Marshall, chief scientist at the Department of Energy, to commission research in offshore oil and gas technology.

At a Press conference yesterday, Dr. Marshall spoke of "intimate relations" between the new Offshore Energy Technology Board and the Offshore Supplies Office.

The transfer of responsibility—together with some £4m. of research funds—affords the Energy Department a freedom in research and development it lacked previously. Although its total research and development effort exceeds £120m., all but about £250,000 is committed to nationalised industries and agencies such as the U.K. Atomic Energy Authority.

Asked what new research he wanted to do, Dr. Marshall said anything that might increase the percentage of oil recovered from an offshore oilfield "seems to me of fantastic importance."

There might well be nothing the Government could contribute that the oil companies were not already trying. "But it is such an important subject that I want to be well informed on it." British Petroleum, Shell and British Gas are all represented on the new Research Requirements Board.

According to the Department of Energy, typical recoveries in the Middle East are of the order of two-thirds of the oil present and sometimes as low as 30-40 per cent.

The £4m. of transferred funds are to come from the Ship and Marine Technology Board of the Department of Industry, under the chairmanship of Mr. Nigel Broackes, chairman of Trafalgar House Investments.

Bid to calm fears, Page 4
Men and Matters Page 18

MPs to inquire into four State industries

By Richard Evans, Lobby Correspondent

AN INFLUENTIAL Commons committee has decided to launch investigations into three controversial aspects of the nationalised industries.

In a report published yesterday the Select Committee on Nationalised Industries announced the work load planned for the current Parliamentary session by its three sub-committees.

The first will inquire into British Airways

The second will investigate the tariff structures and pricing policies of electricity and gas. In particular, the MPs will inquire into the result of the electricity industry's change-over to automatic domestic tariff increases based on rising coal costs.

The third inquiry will be into the Post Office's letter post services which have come under criticism following the latest price increases, and this will be followed by an inquiry into Cable and Wireless.

Scrap exports forecast

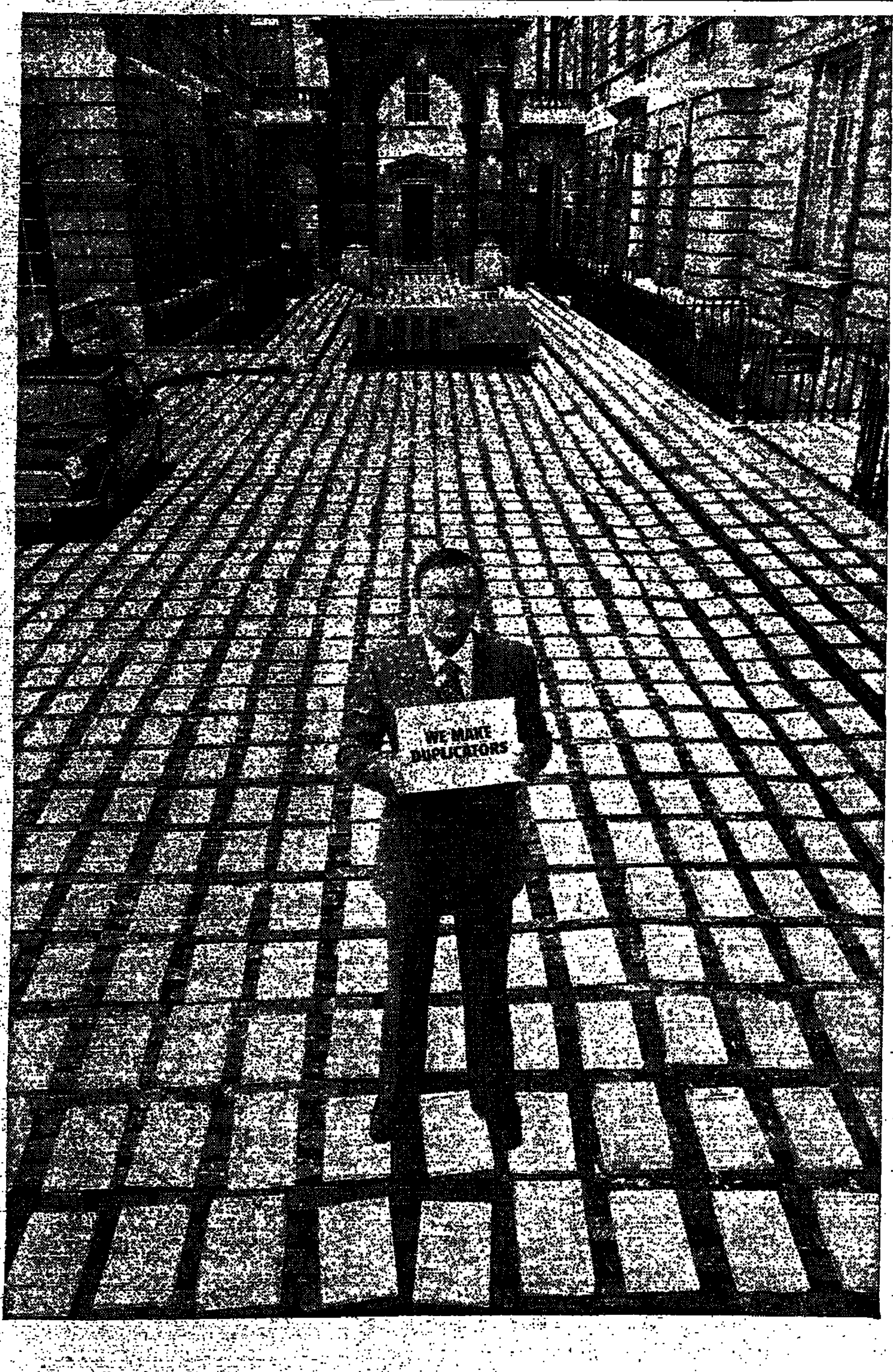
BY ARTHUR SMITH

EXPORTS of ferrous scrap in April are likely to be double the total of each of the preceding three months, according to the British Scrap Federation.

It says there is a price advantage of between £3 and £12 in exporting to Common Market countries as against selling to the home market, and that membership of the European Economic Community has prevented the U.K. market becoming too depressed.

Statistics from the federation are a fairly good reflection of the state of the home steel industry, and there is a feeling that the British Steel Corporation may have fixed its prices for scrap slightly too low.

While there is no indication that the demand for steel may soon move decisively either way Mr. R. Boast, the federation secretary, suggests the market may have bottomed out.



HOME NEWS

MPs give Stonehouse a month to decide

BY RICHARD EVANS, LOBBY CORRESPONDENT

MR. JOHN STONEHOUSE has been given a month to decide whether to return to Westminster to fight for his Commons seat or face expulsion as MP for Walsall North.

A Commons select committee, in a second report on the runaway Labour MP facing extradition proceedings in Australia, declared yesterday that because he had "abandoned his Parliamentary duties," a motion to expel Mr. Stonehouse was now justified.

But they recommend that the motion be delayed for a month to give *him* the opportunity to state his case before the Commons or to resign.

Statement soon

Reports from Australia claimed that Mr. Stonehouse was offering to return to make a statement, and the clerk to the select committee announced that a letter had been received yesterday from Mr. Stonehouse. A statement about the letter will be made later this week, probably to-morrow.

The indications last night were that the select committee would not meet again this week, but might decide to publish the latest Stonehouse letter as a supplement to yesterday's report.

Although the committee's recommendations must be considered by the Commons as a whole, there is little doubt that a substantial majority would vote for expulsion if the MP failed to return within the month.

In its first report in March the committee considered it would not be right then to take action against Mr. Stonehouse "in view of the possibility of his return to resume his Parliamentary duties, and of his psychiatric condition." But they warned that if the position did not change the Commons would have to consider vacating the seat on the ground of non-representation.

Yesterday's report outlines developments since March, including the issuing of a warrant for Mr. Stonehouse's arrest at Bow Street on March 20, and the opening of extradition proceedings.

The committee says: "The charges against Mr. Stonehouse are matters for the courts and not for the committee. What does concern us is that he has not returned to England to answer these charges."

Having noted various statements by Mr. Stonehouse which appeared to confirm his intention not to return to Westminster, the committee concludes "that Mr. Stonehouse has abandoned his Parliamentary duties."

Letter to Sweden

In reaching their decision the MPs state that they find it "irreconcilable with membership of this House for an MP when charged with serious criminal offences not to submit himself to the processes of justice established by Parliament. For these reasons we consider that a motion to expel Mr. Stonehouse would now be justified."

In an annex to its report the committee prints the letter from Mr. Stonehouse to the Swedish Prime Minister in which he claimed to have suffered a mental breakdown last year, adding that his enforced return to the U.K. would cause "irreparable psychiatric damage."

The select committee's recommendation was generally welcomed at Westminster. Mr. Bruce George, Lab. MP for Walsall South, who has been looking after the runaway MPs constituents, said: "I am relieved at this decision and applaud it. It looks at long last as if this unhappy saga is drawing to a close."

Mrs. Barbara Stonehouse said in London last night that her husband could not return to Britain now even if he wanted to. In a statement read for her to reporters at the door of her Kennington, London, home, she said: "The Commons select committee's decision puts my husband in a very difficult position. In view of the legal proceedings in Melbourne he cannot return, even if he wanted to.

"He is still unwell and in no position to deal with what he considers has been, and no doubt would be, a hostile reaction."

The statement said Mrs. Stonehouse had returned to Britain last Thursday to see the publishers concerning her husband's book, which had been completed.

Call for Neddy to be strengthened

BY RAY DAFTER

THE CHEMICAL industry last night attacked the Government for under-rating the success of the National Economic Development Office in the field of voluntary industry planning.

Mr. Martin Trowbridge, director-general of the Chemical Industries Association, said in Manchester that, like much of industry, chemical companies wanted the NEDO organisation to be strengthened.

Up to now, however, some of the success achieved by the Chemicals Economic Development Committee and other "little Neddys" had been ignored or under-rated by Government.

Mr. Trowbridge, who was addressing a meeting of chemical industry executives, criticised the proposals for planning agreements as laid down in the Industry Bill. "Just as it would be unwise to go in for house planning before town planning had been undertaken, it is equally topsy-turvy for Government to get involved in detailed company planning before broad industry strategies are evolved.

"First, let us get the overall industry and sector planning right, as the Chemicals EDC is already doing, with unions, Government and management working together."

If this system showed up bottlenecks, then that was the time for Government to become involved in individual discussions with companies or groups of companies.

EEC £4m. loan for BSC

By Kenneth Gooding, Industrial Correspondent

THE BRITISH Steel Corporation has just been granted another loan—of £4m.—by the Common Market Commission.

This brings to just over £98.37m. grants and loans to the Corporation since 1973 by the Commission.

The latest loan will help finance an £8.8m. scheme to replace coke ovens and associated installations, including coal preheating facilities, at the Orgreave plant, near Sheffield. Some 43 of the 86 ovens are to be replaced by new ones. When completed, in 1976, the project will increase the plant's production by 80,000 tonnes a year to 530,000 tonnes.

The loan is granted under Article 54 of the European Coal and Steel Community Treaty, which empowers the Commission to give aid for the modernisation of coal and steel industries. The precise terms will now be agreed with the BSC. Interest rates on ECSC loans are currently about 9 per cent.

Part of the BSC loan will also qualify for an interest subsidy of 3 per cent. which the Commission can give in certain circumstances. This subsidy can operate for a number of years.

David Curry writes from Brussels: It is believed the Commission is hatching another pre-referendum egg in the form of a loan of £15m. for BSC's Ebbw Vale works, to help tinplate production facilities and help offset redundancies.

Graves quits after Jensen Motors split

By Our Motor Industry Correspondent

MR. DICK GRAVES, deputy managing director of Jensen Motors, has resigned after a policy disagreement with Mr. Kjell Qvale, the American chairman.

The company is being run by another American, Mr. Al Goot, while Mr. Qvale is on a U.S. sales tour.

Like most other car manufacturers, Jensen admits it is losing money. In both the U.K. and U.S., the latter Jensen's major market, sales have been hit by the fuel crisis. Late last year, after a lengthy row with the unions, a redundancy programme was started.

Since then the work force has been cut from 1,200 to 700, and the company has begun a four-day week.

The company stressed yesterday that Mr. Qvale, a wealthy Californian car distributor, continues to support the company, and no approach had been made to the Government for assistance. The disagreement with Mr. Graves was "of a personal nature," said the company.

The future of Jensen rests on hopes of an upturn in the market, particularly in the U.S., where the sports car selling season is beginning.

Over 10,000 companies based in Jersey

By Our Guernsey Correspondent

MORE THAN 10,000 companies have now been registered in Jersey, but only 3,000 of them are regarded as "active."

Nevertheless, excluding Jersey income tax at 20p in the pound, or corporation tax at a flat £300, the companies produce over £400,000 a year in fees for the island.

Guernsey has some 3,500 active companies producing around £175,000 in fees alone.

Ferry offers split ticket

SOUTHERN FERRIES, part of P & O Ferries, are offering a combined ticket for motorists visiting Spain this summer and returning on a different route. The scheme represents a saving of £25 a head.

Holidaymakers will be able to travel out by the Southampton-San Sebastian service in the Panther and return by the Algeciras-Tangier-Southampton service in the Eagle, or vice-versa. Fixed rates will be £79 return in the standard season and £98 in the peak season.

Christina Onassi[s] BP and Shell tal[ks]

BY RAY DAFTER

MISS CHRISTINA ONASSIS, main heiress of her father's fortune, met British Petroleum executives yesterday to discuss her family's oil-tanker business. To-day she will meet heads of the Shell group.

BP said it regarded the visit as private although it is clear that Miss Onassis was there to discuss the operations of the Onassis tanker fleet and the group's business relationship with the oil company. Sir Eric Drake, BP chairman, was among those at the three-hour working lunch.

A spokesman commented: "We have had a long relationship with her father's company over the years. This was an opportunity to meet senior executives and to continue the relationship that has already been established."

BP had been dealing with Mr. Aristotle Onassis for over 10 years. Last year the company was operating 86 t... ling 9.9m. tons de... long-term contract... of which were o... Onassis group.

At the last coun... shipping empire ... ships totalling 2.5m... has been specul... whether Miss Ona... over the shippi... although yesterday'... to indicate she i... closely involved.

There have also ... that Miss Onassis p... Mr. Petros Goulandi... of another prom... shipping family.

A spokesman fo... family commented ... that Miss Onassis's ... lasts until to-morro... the first opportunit... men with whom h... business. As well ... Shell, she intende... several smaller org...

Two groups hit out at pay-bed plans

BY ERIC SHORT

TWO ATTACKS have been made on Mrs. Barbara Castle's plans for phasing out pay-beds from NHS hospitals.

The Hospital Consultants' and Specialists' Association says this action can do nothing to help the NHS, already "under-financed and under-staffed."

The association would accept Government legislation to remove pay beds as a constitutional act, but insist that no facilities for private patients be removed from NHS hospitals unless adequate alternative provision existed or could be quickly provided. Otherwise "realistic compensation" should be provided for those groups which would suffer.

The British United Provident Association, largest medical insurance agency in the U.K., "deeply regrets" Mrs. Castle's action in that she ... leagues "prefer the ... Socialist dogma to ... best interests of ... public and British ... Private beds "hav... significant part in t... the NHS over the pa...

BUPA "welcome... ance that the separ... be effected in ... manner" and "s... Castle's hope that ... activity of the union ... cease." It did no... undue strain on exi... resources in the ph... the 10 per cent. of t... not now in use. The ... through its sponso... Nuffield Nursing H... has been instrument... ing private hospital... tion for many year... plans for the provisi... beds.

Inflation impact on s[mall] businesses lethal—Jos[eph]

BY LORNE BARLING

NO PRIVATELY-owned business could survive for long the present lethal impact of inflation on its working capital, Sir Keith Joseph, Conservative spokesman on policy and research, said yesterday.

Speaking in London at an international congress of small businesses, he said that the overriding task was to abate inflation.

"We know that the essential element in the treatment is a gradual abatement of the rate of increase of the money supply, which in this country is closely linked with the rate of growth of public spending," he said.

The country also had to prepare to tackle the twin and inter-related impact on small businesses of taxation on the one hand and credit on the other.

"You look to retained profit for expanding your work, but taxation and inflation together wreak havoc on what can be retained in relation to what is needed," he said.

He added that sm... nesses were reasonabl... ing at the avalanche ... tions and requiremen...

The Conservatives ... study whether they ... sharply cut the flood ... tion.

Gas cooke[r] sales up 1[5]

A TOTAL of 582,000 g... valued at more than £... sold through gas sho... the year to March 3... British Gas. Sales we... per cent. on the prev... "reversing the sales ... recent years."

The sales boost res... the "Year of the Coo... paign." At the rece... Home" Exhibition, n... 3,200 cookers were ord... per cent. rise over th... year.

Leaders of bank workers reject 20% pay offer

BY OUR LABOUR STAFF

THE FIVE English clearing banks yesterday offered their ...,000 employees a 20 per cent. pay rise from the end of June—the amount they estimate the annual increase in the retail prices index will be running at by then.

The offer was rejected by the bank workers' leaders as unacceptable, because they estimate that the RPI will be showing a 25 per cent. increase by the end of June, when the present pay agreement expires.

But the staffs' considered reaction to what appears to be the employers' final offer will emerge at a meeting of the Banking Staffs Council—comprising staff associations and the National Union of Bank Employees—next week.

The employers rejected the staffs' claim for an interim payment from April 1, based on the cost of living rise to that date. But it appeared yesterday that the claim for an interim will now take second place to arguments about the likely rate of inflation later this summer.

Negotiators could wait for publication of the June RPI figure in July before settling, although this would mean that the staff would have to wait another one or two months for their new salaries to come through.

The staff were also offered several days extra holiday a year to bring the minimum annual leave up to four weeks from next year.

A further sticking point was the employers' insistence that the agreement should run for 12 months. Staff negotiators said they wanted the right to re-open negotiations within a year if necessary.

Yesterday's 20 per cent. offer is all new money. Threshold payments of £2.40 a week paid to bank staff up to last June were "bought out"—in most cases at 12½ per cent.—last August.

The employers' determination to stick to the RPI—in accordance with the social contract guidelines—follows a political uproar last year when the banking and finance sectors were criticised by Ministers for settling at high levels compared with other sectors. This year, the offer is well below the trend of 30 per cent. settlements seen in recent public sector negotiations.

Mr. Leif Mills, general secretary of the National Union of Bank Employees, described yesterday's offer as "by far the worst we have ever received from an employer."

Dispute hits five TriStar flights

By Our Labour Staff

FIVE BRITISH AIRWAYS TriStar flights were cancelled yesterday when engineers and maintenance men at Heathrow refused to service the aircraft because of a dispute over extra payments for handling the recently acquired planes.

The airline put Trident jets on to the affected flights, to Madrid, Copenhagen, Brussels, and two to Paris. The dispute will be discussed with management at an engineers' national sectional panel meeting to-day.

The airline's long-awaited non-stop DC10 service to Los Angeles is due to start to-day, after a delay caused by a dispute with cabin staff over payment for extra duty hours.

This follows acceptance of a pay formula by members of the British Airlines Stewards and Stewardesses' Association, who had imposed a ban on training for the aircraft.

The cabin crew, whose association is part of the Transport and General Workers' Union, also decided to wait to see what pay offers would be made them for flying the Concorde. They will watch talks this week between the airline and its pilots.

● NEWS ANALYSIS—CAR INDUSTRY

Women stop the wheels

BY ROY ROGERS, LABOUR CORRESPONDENT

IN THE MIDST of its current financial troubles, British Leyland has been hit during the past few days by a rapid fall in production caused by a group of workers who are traditionally among the least militant in the motor industry.

They are 500 women clerks who, with 200 male colleagues, are using the fact that they handle essential bills of lading, to stop movement of goods into and out of their employer's factory—Dunlop Engineering in Coventry.

Their claim is for £10 a week to close part of the gap between their earnings and those of Dunlop's manual workers and to match a £40 a week minimum clerical rate achieved at other local plants including British Leyland and Massey Ferguson.

Since they went on strike 17 days ago, the absence of their work has meant that the motor industry has been progressively starved of essential suspension units and wheels, with British Leyland being hit first and hardest because it relies on Dunlop components to a greater extent than other motor manufacturers.

It has been starved of Hydrogas and Hydrolastic suspension units for its Mini, Maxi, Allegro and 18/22 ranges and wheels for many models, including the Marina and Triumph TR6. Already, some 13,000 British Leyland workers have been laid off and it is feared that this figure will rise progressively to include the bulk of the 60,000 Austin-Morris group workers and many Triumph workers.

Although the drying up of suspension units was the first effect of the pay dispute to hit Leyland production, far greater disruption is threatened by the halting of Dunlop wheel supplies which normally make up about 70 per cent. of the motor manufacturing industry's requirements.

This lack of wheels is expected to bring Austin-Morris production to a virtual halt by the end of the week and to start affecting Chrysler and Vauxhall later this month even though all three manufacturers get some wheel supplies from other sources, such as GKN and Rubery Owen.

Ford, which manufactures its own wheels, is the only major manufacturer likely to be unaffected by the Dunlop dispute which has been all the more damaging because, in common with many industries, motor manufacturers have cut back on stocks recently so as to improve their cash flow.

It is against this background that the Dunlop Engineering strike committee meets to-day to review the situation. It will have to decide whether to call a mass meeting of the strikers to consider the potentially disastrous effects of their stoppage on the struggling motor industry.

Local officials of the two unions involved — the white collar section of the Transport and General Workers' Union and the Association of Professional, Executive, Clerical and Computer Staff (APEX) maintain that a new payments system for manual workers phased in over the past few years as a way of eliminating much of the piece-working, has pushed labourers on to a £45 a week minimum.

This compares with the £30.49 to £35.08 range of clerical women's rates and the £33.65 to £42.99 span of the clerical men's rates.

This disparity between manual and clerical workers' pay is the basis of the strikers' claim — worth between 23 and 32 per cent. on rates—particularly as the manual workers are due for their next annual pay settlement later this month.

In reply to the claim, Dunlop has offered £6.25 (up to 22½ per cent.) on all women's rates and between £7 and £8 (18½ to 20 per cent.) on the men's. With the introduction of equal pay at the end of this year, the women's minimum rate would increase further to £39. The £39 offer does not equate with the £40.65 minimum on offer to men, because the grades are not identical.

So far this offer has proved unacceptable to the staff, who are anxious to get the best possible across-the-board deal now, so as to get the maximum benefit when equal pay for women becomes compulsory.

By the same token the fact that so many of the staff are women for whom they will have to introduce equal pay this year must be a major factor in Dunlop's reluctance to improve its offer.

With no further joint meetings arranged, it remains to be seen whether the strikers will be prepared to make thousands of other workers idle and deal the beleaguered motor industry another serious blow to achieve their aims.

CPSA demand for closed shop

BY LORELIES OLSLAGER IN MARGATE

A CLOSED shop in the civil service was demanded by the annual conference of the Civil and Public Services Association on behalf of its 220,000 members in Margate yesterday.

The near-unanimous vote followed the announcement that the union's Left-wing had maintained its dominant position on the policy-making national executive committee in polling on Monday, the same day that a Right-wing president and vice-president had been elected.

Of the 26 executive members elected, 16 continue to represent the Left and 10 the Right or "moderate" wing, which, after the presidential election on Monday, had hoped to draw even with the Left, on the executive.

But yesterday's events demonstrated that the Left—most vociferously represented by the Trotskyist International Socialists—continues to remain strong.

In its call for the closed shop, the conference instructed union leaders to use "any means at their disposal" to achieve this goal. Mr. William Kendall, general secretary, said afterwards that he could not exclude the possibility of industrial action if negotiations with other unions and the Government led nowhere.

In effect, talks have already started after an initial call for a closed shop in the Civil Service by the CPSA's conference last year. Because of the reluctance of other civil service unions and the Government, the executive yesterday tried to steer the conference on a more moderate course by advocating only a "post entry union shop" in the Civil Service. But Mr. Kendall made it clear that he was not too unhappy about the outcome and would continue his campaign as before.

If the other civil service unions made great difficulties then he would recommend that the CPSA should "go it alone" for the grades it represents, mostly clerical officers.

The conference also expressed alarm at the possibility of separate Civil Services being set up for England and Wales in the context of devolution. Such "fragmentation," it said in a resolution, "could only be detrimental to the best interests of the public and civil servants."

Mr. Kendall said the CPSA did not oppose the creation of national assemblies in England and Wales but this must not lead to a split up of the Civil Service. "We cannot behave as if centuries of co-operation and intermingling stood for nothing."

EPTU merger freedom

BY JOHN WYLES IN THE ISLE OF MAN

THE ELECTRICAL and Plumbing Trades Union leadership was left yesterday with a free hand to hold discussions with other unions on possible mergers when the union's conference rejected moves to bar the way to any future amalgamations.

During day-long debates on domestic issues which were held in private sessions, delegations heard a report from Mr. Frank Chapple, the EPTU general secretary, on a series of abortive merger talks over the past few years with unions including the General and Municipal Workers, and the Union of Sheet Metal Workers.

Finally, the 700 delegates voted down a motion specifically opposing a merger with the GMWU.

But merger talks with the GMWU are unlikely to be revived over the next few months unless there is some prospect of overcoming fundamental differences which emerged during discussions earlier this year.

Mr. Chapple said that EPTU finances were "second to none" in the union movement and that a 2p a week increase in skilled members' contributions in 1976 would enable the union to break even.

Arbitration after dons' protest

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

ARBITRATION ON the university teachers' next salary increase seemed certain yesterday, when for the first time the U.K.'s dons staged strikes over pay.

At least two universities—East Anglia and Sussex—were brought to a stop for the day, according to the 27,000-strong Association of University Teachers which called the "day of protest." Others, including London, were affected by half-day or shorter.

The root of the dispute is the AUT's decision, during the final weeks of the last Conservative Government, to accept a Stage Three award of about 7 per cent. plus thresholds to come into force in October 1974.

In spite of later rises for non-university teachers and other State employees, and even though the dons' union called for an 18 per cent. addition to its 1974-1975 award, university teachers have been kept to their Stage Three increase—although polytechnics' salary scales have risen well above those in universities.

The Government attitude—which a meeting of London dons yesterday condemned as vindictive—is that no addition can be made to the university teachers' 1974-75 award, because this would break the 12-month rule in the social contract.

Negotiations on the 1975-76 award, due in October, broke down last week. The Government is understood to be offering a "catching-up" award of about 18 per cent. including thresholds plus a cost-of-living increase covering the past year.

The AUT is claiming rises of about 29 per cent. Thresholds excluded, the lecturers' scale would rise from the present £2,118-£4,896 to £3,078-£6,501; the senior lecturers' and readers' from £4,707-£5,976 to £6,285-£7,941; the minimum and average professors' salaries from £6,105 and £7,257 to £8,106 and £9,636.

Mr. Reg Prentice, Secretary for Education and Science, who yesterday told the Commons that the dons' strikes were "irrelevant and unhelpful" is to see representatives of the AUT and the university authorities a week to-day, and the result seems sure to be arbitration.

If this happens, the AUT—which two days after meeting Mr. Prentice is due to discuss further sanctions such as refusing to release this summer's examination results—will probably call off any protest action pending the arbitral body's proposals.

Unions' bigger say in office wage deals

WHITE COLLAR trade unionism growth over the past eight years has doubled the proportion of offices negotiating with a trade union, according to a survey by the Institute of Administrative Management published yesterday.

The number of establishments recognising and negotiating with a trade union on office staff salaries increased from 18 per cent. in 1967 to 40 per cent. in 1974. "This proportion is surprisingly high," comments the Institute, "though it must be remembered that the survey sample tends to under-represent small organisations in which trade unions are less likely to have members." The survey covers 939 companies employing nearly 1½m. staff.

Print union action halts 14 local newspapers

BY OUR LABOUR STAFF

WIDESPREAD disruption for Britain's provincial newspaper industry appeared imminent last night as two print unions dug in their heels in their fight for an improved pay offer for their members on provincial newspapers and in general printing.

Twenty staff at a Kent newspaper in the Gravesend and Dartford Reporter group—all members of the National Graphical Association, were dismissed for refusing to run the presses; and work at King and Hutchings, Uxbridge printers of about 14 local papers was halted when other NGA members stopped work.

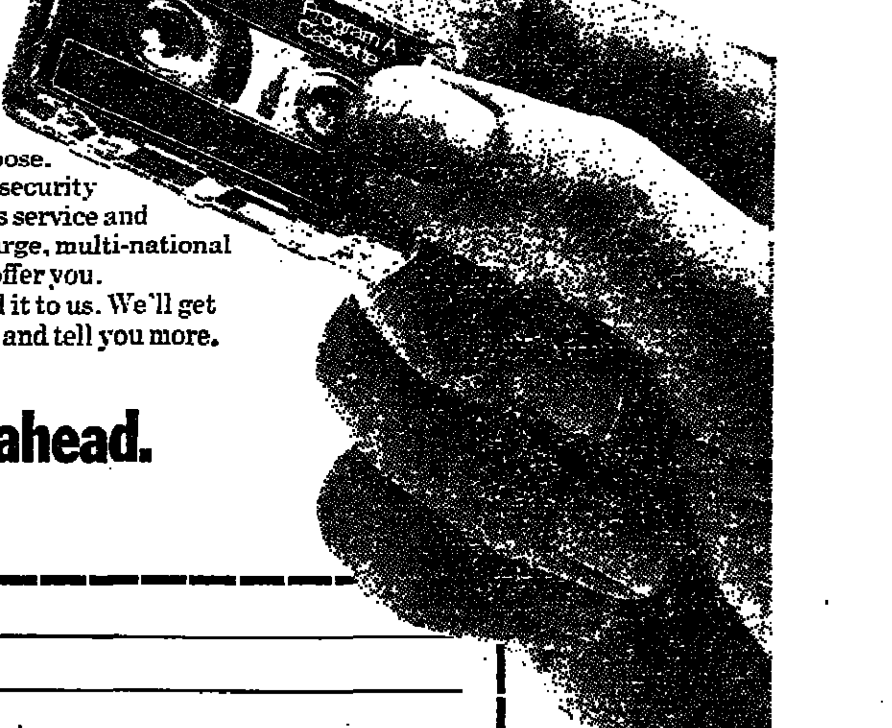
King and Hutchings said it had been affected over the past few weks by a ban on overtime by members of SLADE (the process workers) but had managed to carry on with reductions in paging and other measures. However, now that NGA members had withdrawn their labour it was almost impossible to carry on.

SLADE imposed an overtime ban some weeks ago in protest at a two-stage pay offer by provincial newspaper publishers and the owners of general printing businesses which would raise the basic weekly rate for craftsmen from £29.43 a year ago to £39 now and £41 in November.

Last week the NGA asked its members in the two industries to join in a campaign of industrial action in protest at the offer, which has been accepted by the Society of Graphical and Allied Trades and the National Society of Operative Printers' Graphical and Media Personnel (Natsopa).

The order to the NGA's 60,000 members was to ban overtime and flexibility arrangements and to hold union meetings in working hours.

Last night Mr. Joe Wade, NGA assistant general secretary, said: "Our industrial action will continue until we receive an improved offer from the employers." He warned that sanctions might be stepped up by the end of the week.



After the British Rail pension fund's art buys, two specialist art investment funds have been set up. Michael Thompson-Noel reports

Pictures of an inflation-proof future

THE NEWS that the British Rail pension funds had embarked on a limited—perhaps £5m.—policy of investing in art created a stir. Specifically, the concern of dealers and commentators centred on the likely impact on prices if the BR pension funds' initial move into art (a £195,000 Tiepolo ceiling sketch and possible purchases of French furniture and Chinese ceramics) were to be emulated by rival pension funds and other investment institutions. Would prices be pushed to pernicious heights, only to fall calamitously if the funds were forced to sell? For that matter, how "safe" was art as an investment anyway?

Prospectuses

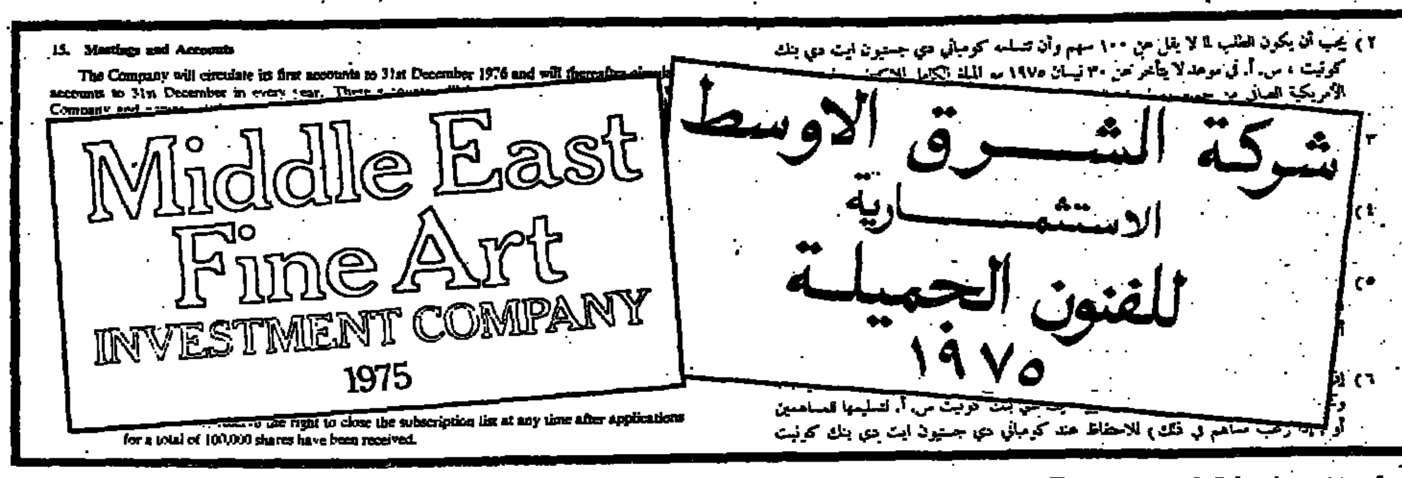
Events of the past few weeks have only sharpened the apprehensions of the critics, for two new art investment funds have published their prospectuses and declared their hands. First, the backers of the Jersey-based, $1m. Fine Art Investment Fund announced that they had won the services of Sir John Rothenstein, former director of London's Tate Gallery, as permanent adviser to a fixed-life, five-year investment scheme for buying up modern (post-1840) and contemporary art.

Second, news emerged of a much more ambitious venture, the $25m. Middle East Fine Art Investment Company, which has the support of a number of luminaries in the London fine art market and has been set up in an attempt (some would say a cynical attempt) to funnel Middle Eastern and Gulf capital into the London and international art markets.

The Middle East Fine Art Investment Company is the idea, primarily, of three men: Mr. Charles Farrell, a London art expert and chairman of Montagu Fine Arts: Mr. Georges de Montenach, a Swiss lawyer and partner in Fiduciaire Nouvelle, a firm of Geneva accountants, and Mr. Heinz Haudenschild, a Swiss banker and a director of the Compagnie de Gestion et de Banque Gonet S.A.

Directors

Other directors include Sir Geoffrey Agnew, chairman of Thos. Agnew and Sons (one of the leading London Old Masters galleries) and for the past four years chairman of the Society of London Art Dealers; Mr. Myles Cooke, a London chartered accountant and publisher of contemporary graphics; Lord Glendevon, a prominent collector and chairman of the Historic Buildings Council for England, and Dr. Peter Lotz, a Swiss lawyer and senior partner in Lotz, Baumann and Lenz of Basle. In addition, Mr. Ivan Chance, chairman of Christie's International, will be a consultant adviser and will become a director when business commitments permit. Later, Middle Eastern members will join the Board.



Two languages for the prospectus of Middle East Fine Art Investment, which is to buy European and Islamic art and antiquities, particularly of Middle Eastern origin, and says that preliminary forays to Kuwait and Saudi Arabia drew an encouraging response.

The fund's main selling point, according to Mr. Farrell, is its concentrated expertise: "There is plenty of expert advice available in London, but it is variable and you must know where to find it."

The Middle East Fine Art Investment Company is an off-shore fund incorporated with limited liability in George Town in the Cayman Islands. The registrar is the Guinness Mahon Cayman Trust, a wholly-owned banking subsidiary of the London-based Guinness Mahon Banking Group.

The fund has an authorised share capital of $25m. divided into 250,000 shares of $100 each. The minimum holding will be $10,000. All shares will be issued in registered form and will be freely transferable. Shareholders' meetings will be held in Paris or Geneva, and the subscription list for shares is due to close on October 31.

The company, say its directors, will "bridge the gap between the Middle East investor and the international fine art market," and it will do this by going for the sort of long-term capital appreciation which only exceptionally wealthy and gifted individual private collectors could hope to match.

What will it buy? Mr. Farrell is understandably cagey, but says that the directors already have their eyes on one or two specific treasures and that the fund is likely to enter the market as a buyer within "two or three months—perhaps two or three weeks," of the closure of subscriptions.

There seems little doubt that the broad spectrum of Islamic art and antiquities offers great promise for investment. There is a lot of it about—metal work, glass, miniatures, carpets and tapestries, documents, arms and armour, tiles and ceramics—and prices, despite the initial impact of petrodollar spending, are still low. Compared with the blue-chip sectors of European art, such as Old Masters and Impressionists, Islamic art is an embryonic form in terms of the market and many of the best works, at present residing in private European and American collections, can be expected to come out of hiding as and when the petrodollar beckons.

At Christie's last year an Iranian dealer paid £150,000 for a 17th-century portrait of the court of Shah Abbas II, while at Sotheby's last month, an early 19th-century Persian painting of the 15 sons and grandsons of Fath'Ali Shah was knocked down at £200,000, way past the pre-sale estimate of £60,000-£80,000.

Perhaps this says more about the usefulness or otherwise of pre-sale estimates than it does about Middle Eastern demand, yet if one looks at a sale of 19th-century Persian lacquer at Christie's at the start of April, for example, one gets an inkling of the sort of price spurts which are now occurring. This sort of lacquer work was fetching £30 to £40 an item in the saleroom until a year ago; in the Christie's sale, a single *qualamdan*, or lacquered pen box, made £3,885.

According to the directors, much of the company's funds in the early years will be held in liquid or near-liquid form pending art purchases, and it is their hope that the income from these investments, together with hoped-for profits generated by selected selling of the art works acquired, will cover the company's operating expenses. They will not, however, provide "significent short-term profits" for shareholders. Eventually, perhaps within two or three years of start-up, dividends will be paid, and the directors hope to establish a market in the shares, either through their bankers or through one or more stockbroking firms.

Stored

Except when on loan to galleries, museums or exhibitions, the company's art works will be stored in the company's vaults in the Freeport of Geneva, where shareholders will be able to inspect them. All works will be insured.

Most purchases, say the directors, will be made on their behalf by Art Services S.A. of Geneva with whom the MEFAIC has concluded a management contract terminable on five years' notice. Art Services, whose Board consists of Messrs. Montenach, Farrell and Haudenschild, will receive a management fee of Sw.Frs.675,000 a year plus an additional fee equal to 20 per cent. of MEFAIC's net realised profits to the extent that those profits exceed a return of 10 per cent. per annum on the company's compounded share capital. Additional MEFAIC costs—mainly insurance, travel and storage—should be limited to 2 per cent. of stock.

Will the Fund take wing? It is a long-term investment vehicle employing the services of an exceptional team of specialists plus a leaven of Swiss banking and [illegible] experts. Mr. Farrell says initial response from would-be investors in the Middle East has been highly encouraging.

The second art fund announced recently, the $1m. Fine Art Investment Fund, is to be managed by Art Funds (International Management), a company set up by Mr. David [illegible]donald, a London manager consultant, and Mr. David [illegible], a London solicitor. This fund, which is aimed primarily at West German and Swiss investors, is domiciled in Jersey. The trustee is the Midland [illegible] Trust Corporation (Jersey). It will comprise 4,000 units of $250 each and the whole capital, less management charges [illegible] per cent and trustees charges of 1¼ per cent, will be invested over a fixed term of five years in modern art.

"One of the elements of the investment policy of the fund," state the directors, "is to seek out, find and recognise new and as yet unappreciated talent, and in this the unique experience and ability of Sir John Rothenstein will be invaluable."

The main question—some would say serious obstacle—is the fixed five-year life of the fund. Whether it will be long enough to produce the sort of capital growth the managers expect is something that Sir John himself is very loath to predict.

"The difference between art and indifferent art is absolute," says Sir John. "The difficulty arises in knowing when this difference is going to be recognised."

Gamble

Compared with the Middle East fund, the Fine Art Investment Fund—which is in any case regarded as a pilot scheme—is obviously something of a gamble. But its architects are unabashed, and say that if response is strong enough they will launch a similar but separate sterling fund for UK investors.

In the meantime, it is fair to observe that growing moves towards a greater institutional involvement in the art market investment are not to everybody's taste. Two days after the announcement of the setting-up of the Fine Art Investment Fund I was told by Mr. George Levy, president of the British Antique Dealers' Association:

"Art should be bought for enjoyment. There have been cases fairly recently of works bought purely for investment which created problems for their new owners. Any scheme of this sort will have to be looked at very carefully by the public. In addition there are the imponderables of wealth tax and capital transfer tax. Will these cause a flood of art goods on to the market? If so, what will that do to prices?"

World shipyards hit by sharp cuts in orders

BY JAMES McDONALD, SHIPPING CORRESPONDENT

THE WORLD recession in seaborne trade, particularly in the oil transport sector, has led to a sharp cutback in the order books of the world's shipyards. Although at the end of March there was a record total of 2,309 commercial ships, aggregating 35.1m. gross tons under construction, the order book declined during the first three months of this year by 7.4m. tons to 113.3m. tons, according to Lloyd's Register of Shipping returns published to-day.

While Lloyd's Register says that the volume of tonnage on order with yards actually cancelled during recent months has risen slowly, other shipping sources report that cancellations of tanker orders alone have reached 102 ships, aggregating 25.1m. deadweight tons.

Renegotiated

Many tanker contracts, according to Lloyd's Register, are being renegotiated and substituted, mainly for bulk carriers, "cushioning the effects of wholesale reductions to the various order books."

Also, adds the report, "tonnage for which building schedules have been either delayed or postponed indefinitely amounts to almost 9m. gross tons."

Japan, the world's leading supertanker builder, showed a decline in its shipbuilding order book over the first quarter of this year of 3.9m. tons to 48.6m. gross tons. At this level, however, it is still by far the biggest shipbuilder in the world although its lead may be eroded by more cancellations. Over the past six months, in fact, the Japanese order book has been cut by nearly 9m. tons.

Most of the major shipbuilding nations still have reasonably healthy order books giving up to two years' work for their labour forces. Beyond that time the future of a number of yards is doubtful.

Sweden—the world's second largest builder in terms of tonnage—showed a decline over the quarter of 1.5m. tons to 8.3m. West Germany's order book declined by 530,000 tons over the quarter to 7.1m. tons and the UK order book fell 120,000 tons to just under 6m. tons. As reported on April 23, the British order book has been eroded by 227,000 tons to 5.9m. tons.

Exceptions to this decline in order book include Brazil—the leading developing nation in the shipbuilding field. Its shipbuilding programme has doubled its order book in six months and orders at the end of March, 3.3m. tons, were 411,000 tons higher than at the end of last year. Brazil is building under licence a number of designs including the U.K. SD.14 cargo ship designed by Austin and Pickersgill, of Sunderland.

South Korea, also a low-cost country, expanded its order book during the first quarter of this year by 222,000 tons to nearly [illegible] tons.

Japan remains the leading exporting country with 81 per cent. under construction for export, followed by Sweden with 79.9 per cent., and West Germany with 83 per cent.

British yards

With supertankers on order now the most vulnerable ship contracts, the Lloyd's Register returns show that, of 357 ships over 100,000 gross tons on order in the world's yards, Japan's share of this total is 186, followed by West Germany with 25, Sweden with 23, Spain with 22 and the U.K. with 16.

Britain's slowness in gearing itself to supertanker building, with the construction of large building docks, may now be paying a dividend since there are few cancellations of orders in British yards.

PARLIAMENT

Benn wins steel skirmish

BY PHILIP RAWSTORNE

THE INEXORABLE progress of Mr. Anthony Wedgwood Benn yesterday took in its stride the Conservative Party, Sir Monty Finniston and the Jimmy Young Show.

It also took him a step beyond the Prime Minister's guidelines on Common Market comment.

Altogether, it amounted to a display of political assurance that hardly supported his own complaints about the constraints of Brussels.

Treading delicately through a radio audience of housewives in the morning, Mr. Benn returned to the Commons to trample on the Tories.

Mr. Michael Heseltine, perhaps chastened by his earlier clash over "political corruption," had scarcely sounded a challenge to Mr. Benn's steel industry policy before he was beating a retreat.

Mr. Benn repeated the terms of his letter to Sir Monty Finniston—asking for an "absolutely clear assurance" that the BSC's proposals should be fully discussed with the unions and the Government before any final decisions were reached.

Labour MPs growled their approval . . . Mr. Heseltine retired, concerned but cowed . . . and Mr. Benn pursued him with accusations of "mocking the Government's attempts to safeguard jobs."

Mr. John Peyton's bid to check the Secretary for Industry proved no more successful. Wasn't Mr. Benn "grossly overrating" his own abilities in his "unceasing interference" in industry? he demanded sarcastically.

As a member of the Government which held up the industry's investment programme for two years, drove it near to bankruptcy and then "handed over power to Brussels, Mr. Peyton should keep quiet," retorted Mr. Benn—and Mr. Peyton did.

Gathering solid support from the Labour backbenches where Dr. Jeremy Bray—who later called unsuccessfully for an emergency debate—described the BSC proposals as "savage and economically naive," Mr. Benn said that the Government had no desire to "freeze the pattern of employment where history had left it."

But, he added with a flourish, he made no apology for trying to reduce the impact of changes in employment.

"What is wrong with British Steel, and with British industry generally, is the British system of government," Mr. John Pardoe declared. Obsolete party games had been one of the main causes of an obsolescent steel industry.

Mr. Benn, pointing to the £8m. a week being invested in the industry, quietly denied it. Nor did he accept Mr. Donald Stewart's Scottish Nationalist solution of dismissing Sir Monty and establishing a separate Scottish steel industry.

Mr. Benn said he had heard that BSC headquarters was overmanned. And he agreed that Sir Monty's proposals had spread dismay—"but I am in favour of everyone speaking their mind, as I do myself."

As for dividing the industry, that would no nothing to help when it was controlled from Brussels by the Treaty of Paris, he said.

"Are we to take it that the Government regrets this country joining the European Coal and Steel Community?" queried Mr. Jeremy Thorpe. "No," replied Mr. Benn, signing off with a smile, "I was describing the legal position."

Heaviest cuts in aerospace —Mason

THE GOVERNMENT'S defence review might well be an example to other public departments and the public and private sectors of industry, Defence Secretary, Mr. Roy Mason, suggested in the Commons yesterday.

Opening a two-day debate on the defence estimates, Mr. Mason said that the Labour Government had recognised the need to tailor Britain's defence commitments and capabilities to our economic and political position as a middle-rank European power.

But there was also the need "to ensure a modern and effective defence system geared to what Britain could afford and this could not be done by relaxation of vigilance, wishful thinking, and blindness to political and economic trends."

Mr. Mason said that reductions would be most marked in the aerospace industry. "Even before the defence review, it was clear that with fewer new projects coming along there would be a marked reduction over the next decade in the level of activity in military aerospace projects, particularly on the design side."

Particularly affected would be Hawker-Siddeley, the British Aircraft Corporation and Rolls-Royce. Every possible assistance would be given in the effective redeployment of valuable skills into non-defence work.

Opposition defence spokesman Mr. George Younger said that the White Paper proposals would throw thousands of people out of work. "We feel extremely disturbed about the effects of these cuts on the services."

The White Paper demonstrated beyond doubt how essential many of our commitments were but proceeded blandly to abandon them. The whole business of trying to relate together defence expenditure and the gross national product was "economic nonsense as it affects defence, and military nonsense as well."

It was on the flanks of NATO where British cuts would be most resented and most damaging.

● The Review Body on Armed Forces Pay has reported to the Prime Minister, MPs were told yesterday. Mr. William Rodgers, Minister of State for Defence, said the report would be published and the Government's decisions on it announced as soon as possible.

Peers hostile to insurance Bill

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

FOR THE SAKE of constitutional propriety, the Lords last night reluctantly allowed the controversial Policyholders Protection Bill to have its second reading without a division.

But a barrage of all-party criticism of the provisions foreshadowed a bitter battle before the legislation reaches the Statute Book. Government trade spokesman, Lord Winterbottom, undertook that the Government would give serious consideration to the suggestion of a number of peers that the Bill should be sent to a Select Committee for more radical appraisal than it could receive on a normal committee stage.

The wide hostility of the insurance world to the Bill was reflected in the second reading debate as peer after peer on both sides—many of them prominent in the industry—deplored the proposals.

Rarely has even the most controversial Bill had so few defenders in spite of a Government indication that Ministers would be prepared to reconsider clauses which have met with "valid" criticism.

On all the evidence of the debate, a division would have resulted in a decisive majority to throw out the Bill. But peers were clearly restrained from this course by the realisation that it would lead to a clash with the Government majority in the Lower House over such treatment of a major Bill which the Commons has yet to consider.

The assurance about considering valid criticism was given by Minister of State for Industry, Lord Beswick. It was prompted by the concern expressed by peers that nothing in the Bill guarantees the industry effective representation on the proposed statutory Policyholders Protection Board.

When the point was pressed during the debate, Lord Beswick acknowledged that Mr. Peter Shore, Secretary for Trade, and chief sponsor of the provisions, considered that there was validity in this particular criticism.

A hint that the industry could be granted its wish on the committee stage was strengthened when Lord Beswick emphasised that it was indeed the Government's intention that majority representation on the Board should be drawn from the industry.

From the Opposition front bench, Lord Aberdare, gave notice that the Minister's "honeyed" account of the proposals in the Bill would not placate opponents of the measure—regarded by the Tories as "ham-fisted and flat-footed."

But on constitutional grounds—the advisability of not pre-empting the decision of the Commons which has yet to consider the Bill—Lord Aberdare urged his party not to vote against the second reading. The real battle, he indicated would be joined on the committee stage.

From the Liberal benches, Lord Banks, who is an insurance broker, also deplored the Bill for the bad effect he foresaw it having on the industry.

With so few friends for the legislation, Lord Beswick's explanation of the Government's intentions was notably conciliatory.

He pointed out that the industry had been given the opportunity of putting forward its own proposals. But when these — belatedly — had been forthcoming they were less than satisfactory, he maintained.

The main duty of the proposed Board would be to protect policyholders of a company in liquidation, he said. The Board would finance its activities out of levies on insurance companies—one for general and one for long-term business.

"There will be no fund. The Board will impose levies only to meet expenditure as and when it is incurred." This, Lord Beswick suggested, was what the industry wanted.

On current figures, the maximum possible levy in the first year would be about £15m. on general business and £9m. on long-term.

Dealing with the notably controversial Clause 16, which enables the Board to provide funds to rescue companies in difficulties, Lord Beswick said: "We regard it as an important feature, since a rescue might sometimes be in the interests of policyholders and of the industry as a whole.

"But it is a secondary feature. This power is discretionary only and will be available only in strictly limited circumstances. I gather that this fact so far has not been fully appreciated.

"It has been alleged that the powers contained in Clause 16 will enable irresponsible companies to be protected, and will undermine the insurance market, and that it will become the norm to rescue companies in difficulties rather than allow them to go into liquidation," said the Minister.

"That seems a strange anxiety in view of the fact that a majority of the Board's members will be drawn from the insurance industry, and will presumably use these powers discriminately."

Lord Aberdare said that the Bill was unnecessary and would have a number of highly undesirable aspects. "It is so much more satisfactory to allow the industry itself to regulate its own affairs."

He objected to the powers given to the Board to rescue a company. "We believe a company should go into liquidation or receivership unless it is a sufficiently viable proposition for a purchaser to be found. It is better to leave the matter of rescue to the commercial judgment of the industry itself rather than go to the Board."

Industry Bill vote means fuller Treasury disclosure

BY JOHN HUNT

THE GOVERNMENT suffered a thumping defeat by a majority of 19 (24—5) in the Commons Standing Committee on the Industry Bill last night.

Ten Labour MPs joined with the Tories to pass an amendment requiring the Treasury to furnish far more economic information to industry, other Government departments, or anyone else who requires it.

A list of the precise information required is laid down in a schedule to the amendment. This has to be voted on at a later stage but is now certain to be passed.

Last night's successful amendment was proposed by Dr. Jeremy Bray (Lab., Motherwell and Wishaw) who several days ago voted with the Tories to inflict the first defeat on the Government during the committee stage of the Bill.

There was cheerful waving of order papers on both sides of the committee when the voting was announced last night. Mr. Michael Meacher, Under-Secretary for Industry, has already indicated that he is prepared to take the amendment into account and bring forward suitable Government changes along similar lines later in the Bill.

The schedule calls on the Treasury to maintain a macro-economic model demonstrating the effect of alternative Government policies and assumptions about external factors affecting the U.K. economy.

REFERENDUM

'Anti' groups plan 200 meetings

BY IAN DAVIDSON

MORE THAN 200 public meetings are scheduled during the next four weeks by anti-Market organisations, according to Mr. Neil Marten, MP, chairman of the anti-Market umbrella organisation, the National Referendum Campaign.

He said in London that the NRC had already drawn £15,000 of the £125,000 of public funds allocated by the Government to each of the umbrella organisations.

The money was mainly being spent on posters, leaflets and promotional material which was being distributed to local organisations. The promotional material included four leaflets of which 2m. copies were being printed.

Mr. Marten said the NRC would have to cut corners financially, and would not be in a position to pay for a serious press advertising campaign.

He said the £125,000 had deterred some people from making donations, under the impression that the movement was rich. "This is absolutely not true," he said, and he added that he hoped the money would come rolling in once the real debate began, "as opposed to the trivialities of the pro-Marketeers about Reds."

In spite of the support for the anti-Market cause pledged by many major trades unions at the special Labour Party conference, it was made clear at the press conference that they are not donating large amounts of money.

According to Mr. Christopher Frere-Smith, leader of the Get Britain Out Referendum Campaign, the unions are being "very careful with their money."

Mr. Marten made no attempt to deny the differences of view that exist within the anti-Market movement. On the contrary he claimed this was proof that it was a popular movement with strong support through every strata and aspect of sociey.—"and that's why we're going to win."

He emphasised there was considerable co-operation between anti-Marketeers of widely differing political views, even though they might not be willing to appear in public on the same platforms at anti-Market meetings.

Speaking at a Get Britain Out meeting in Marylebone, Mr. Frere-Smith claimed the aim of the Common Market had always been the creation of one state—"that is to say, Britain will be part of a huge super-state if she stays in."

He charged the Government with having tried to deceive the British public into believing there was no question of the Market transforming the whole complex of the member states into a European Union.

"Now we learn," he said, "that the next Common Market summit will take place on July 16 in Brussels, just six weeks after the referendum, and that the proposals to develop the Common Market into a full political union will be high on the agenda.

"No wonder so few people trust the politicians," he concluded.

Europe vital for insurance, says Eagle Star chief

BY ERIC SHORT

MR. DENIS MOUNTAIN, chairman of Eagle Star Insurance, has told shareholders how vitally important continued membership of the European Community was to the British insurance industry.

In his annual report he says the insurance industry was the biggest contributor to the country's invisible balance of payments and membership of the EEC provided further opportunities to increase this contribution.

Staying in Europe was also of direct value to millions of policyholders, claimed Mr. Mountain, as it brought trading benefits to U.K. companies, resulting in increased earnings.

The value of policyholders' funds are thus enhanced by investment in these companies. Withdrawal would do untold damage to Britain's trading position and industrial base.

Mr. Mountain revealed that premium income of the Eagle Star from the EEC now exceeded that from any other territory except the U.K. The company's European operations, including the investment income arising for the premiums, contributed substantially to the overall profit in 1974.

Underwriting profits were made on the operations in Belgium and Holland and the underwriting loss in France was cut by more than half over the previous year.

We could be out by end of the year–Benn

THE REFERENDUM campaign was being presented as if it was "just extreme Left against the rest," Mr. Anthony Wedgwood Benn, the Industry Secretary, said yesterday.

He was amazed when he heard pro-Europeans try to dismiss a large body of Liberals, Conservatives and middle-of-the-road people who "just want to cling to self-government and democracy in Britain, as I do."

Mr. Wedgwood Benn disagreed with claims that Britain had made a £35m. profit from Market funds in 1974-75. "I don't think that is really right because the amount of money we are putting in our contributions . . . means, in effect, we are not making a profit out of it."

Speaking on Jimmy Young's BBC Radio programme, the Minister said the British people would vote for withdrawal from the Market. He and the other five senior Ministers who disagree with the Government line thought the date for withdrawal could be the end of the year.

Withdrawal terms could be negotiated and completed possibly by December 31. If not, interim arrangements would be achieved.

Mr. Wedgwood Benn did not foresee any difficulties in arriving at arrangements with the Community. "Because we are their best customers—have you ever heard of suppliers insulting their customers?"

But he added that he would accept the referendum verdict "if it goes the other way."

Later he said the British steel industry "is now under the control of the European Commission and not under the control of the House of Commons."

Whereas everything in Britain was under price control. "Sir Monty Finniston, for 85 per cent. of his steel products, can't be controlled by the British price commission."

Hope for Britain on food costs

Financial Times Reporter

FARM PRODUCTION costs throughout the world have risen to a level where European production is no longer grossly uneconomic, according to one of Britain's leading agricultural economists.

Writing in the pro-Market magazine, New Europe, Professor Tim Josling, professor of agricultural economics at Reading University, points out that recent falls in world cereals prices show how rapidly prices can change in either direction, and he argues that price increases are more easily coped with inside an economic unit which is comparatively self-sufficient in food products.

For Professor Josling, the prospect which the Community holds out for Britain is of being within an area less dependent on imported foodstuffs with a greater potential for increasing production at reasonable cost, and a significant voice in the development of stable world arrangements.

"Such security," he concludes, "cannot lightly be disregarded in the new economic order."

● Gambling on the long odds of continued supplies of cheap food for the U.K. if Britain withdraws from Europe cannot be an acceptable risk to the 55m. people involved, Sir Henry Plumb, president of the National Farmers' Union, said in Belfast yesterday.

He told the Irish Guild of Agricultural Journalists: "So far as the housewife is concerned we would be leaving a strong regional grouping that is 90 per cent. self-sufficient in food and returning to a situation where U.K. agriculture on its own supplies only 55 per cent. of its food requirements."

Company secrets safe, Tories told

BY JOHN HUNT

A TORY ATTEMPT to limit the range of manufacturing companies which will be required to provide information to the trade unions and the Department of Industry under terms of the Industry Bill was rejected by the Government yesterday.

In the Commons Standing Committee which is considering the Bill, the Opposition moved an amendment stipulating that only those companies which enter into planning agreements with the Government would have to compulsorily provide such information.

Mr. Wedgwood Benn the Industry Secretary accused the Opposition of seeking to infringe the right of the Government to scrutinise companies. Workers, he said, were entitled to know much more about the decisions which affected their lives.

He did not visualise circumstances where companies would be damaged by the spread of commercial secrets. The Industry Secretary had a duty to protect the national interest and that included the interests of companies.

Under the Bill, the Central Arbitration Committee also had the right to protect firms from disclosure of information which might damage them.

But Mr. Michael Heseltine, "shadow" Industry Secretary, declared: "This is a politically motivated concept to centralise power in Westminster and Whitehall. Because the Government is going to use compulsory powers, it will alienate industry. Industry will be compelled to resist with all the devices at its command."

Mr. Benn's message was reinforced by Mr. Michael Meacher, Under Secretary for Industry.

Emphasising the need for information from companies outside planning agreements, Mr. Meacher gave examples of where this would apply. Where the Government had made such an agreement with one company there would be the need for wider information about the whole sector. It would also need prior information in an area where it was considering making a planning agreement.

The Conservative amendment to limit the compulsory disclosure provisions to companies which had entered into planning agreements was defeated by a Government majority of three (19-16).

● A Conservative attempt to exclude newspapers from the need to compulsorily disclose company information to the Government and trade unions as laid down in the Bill was defeated last night by a majority of two (16-14).

Mr. Benn told the committee: "I am not giving any hint that newspapers would be specially appropriate for the exercise of these powers. But I am resisting the idea that the Press and printing works should be specifically excluded from these powers."

He was answering Conservatives who had suggested that the exercise of the powers might give any Minister a degree of control over the editorial policy of a paper.

Mr. Benn said that the most amazing thing about Fleet Street was that it was always offering other industries advice in its leading articles but the papers would not even tell their own people the details of their businesses.

"Editors in Fleet Street largely spend their time trying to settle the score with their own trade unions by bashing everyone else's" he declared.

The provision for disclosure would be an entrenchment of the prospect of maintaining a free Press, he said. It would be very curious if newspapers, who were always clamouring for open government, should have promoted this amendment to ensure that their own affairs were for ever secret.

The standards of disclosure in the newspaper industry were not so high as might be supposed, he argued. There was some fear among employees that proprietors were diversifying into more profitable industries. If we were to have a free Press it must be a Press able to survive in the brightest light of publicity.

But for the Tories, Mr. John Stanley argued that the section of the Bill dealing with compulsory powers to require information was a most potent weapon in the hands of any Minister. It gave a Minister a selective instrument which could be used to have a bearing on editorial policy.

Corruption charge starts row

BY JOHN HUNT

AN ANGRY ROW broke out in the Commons Standing Committee on the Industry Bill yesterday when Mr. Michael Heseltine, the Conservative "shadow" spokesman on industry, accused Mr. Anthony Wedgwood Benn of corruption in the way he had administered the Industry Act of 1972 in connection with the Norton Villiers Triumph situation.

For a long time, Mr. Heseltine refused to withdraw his remarks despite repeated protests from the Industry Secretary and strong warnings from Mrs. Joyce Butler, the chairman of the committee, that charges of personal corruption were out of order.

Eventually, Mrs. Butler accepted that Mr. Heseltine had in fact withdrawn his allegations and the committee then moved on to other business.

The dispute started when Mr. Heseltine said there were opportunities for corruption under the Industry Act of 1972 and he thought Mr. Benn had proved it by the way he had used the Act in the Norton Villiers Triumph situation.

Mr. Benn protested that in all his 25 years in Parliament he did not recall a Minister having been accused of personal corruption in this way. Mr. Heseltine was, he said, taking advantage of parliamentary privilege to make the charge.

But Mr. Heseltine said he felt that Mr. Benn had used his powers for political purposes.

"I don't believe that there was any financial corruption on the part of the Industry Secretary," he added. "I never used the word 'financially' in any sense.

"I am talking about the use of his powers to exert pressure on organisations which would not have wanted to comply. This is, in my view, the corrupt use of political power.

Mrs. Butler warned him that unless a full withdrawal of these remarks was forthcoming she would have to report the matter to the Commons for further action.

Mr. Heseltine then said that he withdrew all the personal reference he had made and added that all reference to personal corruption on the part of the Minister should be struck from the record. This was accepted by Mrs. Butler.

Black Paper 'a best seller'

THE BLACK PAPER on education was the sixth best selling paperback in this country last week, something that had never happened to an educational document before, Dr. Rhodes Boyson (C Brent N) said in the Commons yesterday.

Education Secretary, Mr. Reg Prentice, said that the interest the Black Paper had attracted was a symptom of the fact that very large numbers of people were intensely interested in education. It identifies real problems but the solutions it proposes are totally irrelevant to these problems."

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EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ENERGY

Capturing solar power

SOLAR CELLS of a new type, promising high efficiency have been developed by a research team at Caltech's Jet Propulsion Laboratory. The device has potential uses for other purposes than space work, according to Dr. Richard Stirn, team leader.

The cell is made from oxidised gallium arsenide with an extremely thin, nearly transparent gold film on its surface. Some samples have demonstrated an efficiency of 15 per cent. in terrestial sunlight, better than the average silicon solar cell now in standard use. Further research is required in order to obtain controllable reproducibility, however, at these high efficiencies.

Tests have shown that the cell, given the acronym AMOS for Antireflection coated Metal-Oxide-Semiconductor also has superior resistance to radiation. This promises longer lifetime in space.

More important though is the fact that the device may help in terrestial solar energy applications. The technoloy is potentially adaptable to very low-cost polycrystalline thin films with only modest reductions in efficiency.

The supply of arsenic and of gallium—a by-product of aluminium production—is sufficient for large-scale civilian application because the required thickness of the gallium arsenide is about 5 microns.

The gallium arsenide solar cell was developed during several years of JPL research sponsored by the National Aeronautics and Space Administration. Dr. Stirn's team works in the Guidance and Control Systems and Research Section of the JPL Guidance and Control Division. JPL is in Pasadena, California, U.S.

● COMMUNICATIONS

Interfacing keyboard to transmitter

VOICE FREQUENCY telegraph equipment making use of digital integrated circuits to generate and identify discrete frequencies for two-tone and frequency shift keying transmission and reception has been put on the market by Marconi Communications Systems, Chelmsford CM1 1PL (0245 53221).

H5030 equipment is used between a teleprinter (or its associated error correction unit) and the high frequency transmitter/receiver system. Simplicity of operation and reliability are offered by the arrangement, which is playing an increasingly important part in services such as off-shore oil rig communications.

Designed to CCIR recommendations, the equipment can accommodate up to eight two-tone or 16 fsk 100 baud telegraph channels within a normal audio channel of 3 kHz. Inputs to the H5030 are normal interrupted dc telegraph signals while the outputs are "stacked" across the 3kHz band ready to modulate a transmitter. On receive the channels are separated and fed to teleprinters.

Channel frequency determination is by coded plugs on a mother board into which identical channel cards are plugged, one set for transmit and another for receive. Once a channel frequency has been selected any channel card inserted in that position will function on the selected frequency. A dual channel version is available for use in diversity working.

The sets of transmit and receive circuits are each housed in an 8¾ in. high 19 in. standard rack-mounted shelf which also contains the power supply.

● COMPONENTS

Building block idea succeeds

SUCCESS in sales of the Ferranti uncommitted logic array (ULA) in offering low development cost and short turn-on time for custom-design integrated circuits has led the company to open a wider market by the introduction of a low power version of the device.

Available from the Electronic Components Division of Ferranti the new array dissipates only one-tenth of the power of the standard device.

Ideally suited to such battery powered applications as portable and miniature electronic instruments. the low power ULA offers the same 187 gate cells as the standard device, each cell having a typical power dissipation of 250 micro-Watts. This gives the device a total power dissipation of 50m.W typical, whilst retaining a speed/power product that is attractive for many applications.

Operating temperatures cover the full military range of −55 degrees C to +125 degrees C.

The low power ULA utilises the same interconnect rules and procedures as the standard device and therefore retains the attractive features of low development costs and short turn-on time scale.

As with the standard ULA this new low power version is an array of 187 gate cells with four-fifths of the manufacturing process completed. This "blank" is held in stock as a standard product, complete except for the final aluminium interconnect pattern. When this final step is complete, the devices are fully processed to an integrated circuit tailored to a customer's requirements.

Ferranti, Jem Will, Chadderton, Oldham, OL9 8NP. 061 624 6664.

● INSTRUMENTS

High-grade digital meter

RESEARCH BY one of the few British manufacturers of quality digital voltmeters, Datron Electronics, has yielded the model 1059 which the company claims has a performance only slightly below that of the most advanced instruments, but at less than half the price.

A five-and-a-half digit meter with a scale length of 199,999, the basic instrument measures dc and true rms ac voltage and current, and resistance. The measurement ranges are wide: for example dc voltage is covered in five steps from one microvolt to 1000V full scale.

Accuracy, even under adverse conditions is claimed to be an outstanding feature: on dc for example it is 0.005 per cent. of the reading plus or minus 0.001 per cent. of full scale.

The meter is well protected and 1000V can be applied to any of the voltage ranges and full mains voltage to the current and ohms ranges with complete safety. Input impedence is high—on ac voltage it is the unusually good figure of 1,000 megohms.

The 1059 has a fully floating, guarded input and BCD output is available as an option. A seven segment high-brightness cold-cathode display is used. Price is £585. Datron is at Meteor Close, Norwich NR6 6HQ (0603 412126).

● COMPUTERS

Barclays selects a tester

AFTER AN exhaustive analysis of all systems on the market the management services division of Barclays Bank has ordered a System 1000—1185D comprehensive measurement system from computer performance measurement specialists Tesdata.

The system, worth about £60,000, will be used as a mobile test unit for use at each of Barclays four major IBM computer centres. The 1185D is a full measurement system with 144 probes working to a minicomputer. It will be run by Barclays new measurement and simulation group within its data processing organisation at St. Paul's Churchyard, London, E.C.1.

Besides handling the basic measurement and monitoring of these systems Barclays will be using the 1185D to monitor highly complex disc configurations at these installations—they are complex in terms of string switching and multiple data paths. As a result of monitoring Barclays expects to make more effective use of existing hardware.

Tesdata is at Station House, Harrow Road, Wembley HA9 6DE. 01-903 6355.

● RADIO & TV

Set makers' decoder for Teletext

PUBLIC AVAILABILITY of alpha-numeric information and news via signals carried on BBC and IBA television broadcasts — now known as Teletext —came a step nearer yesterday with an announcement from Texas Instruments of a commercially available electronics module for incorporation into domestic receivers during manufacture.

Consisting of six integrated circuits and a handful of other components on a 6 by 4 inch printed circuit board, the module is known as the Tifax Decoder. Production quantities are expected to become available early in 1976 at about £50 each when purchased in typical setmakers' numbers. Decca has already purchased a number of the decoders, although it is understood they are to a specific design.

Factory installation cost, states Texas, is not likely to exceed about one fifth of that for the average board already in the set. Consequently the company expects about £100 to be added to the price of a receiver when they become available.

After about a million sets have been sold, the extra retail price is expected to reduce to £30 to £40 states the company. Retrofit business is not considered likely. Texas Instruments, Manton Lane, Bedford (0234 67466).

● MATERIALS

Brass strip for fast presses

FOR THE first time in Europe one tonne reels of brass or bronze strip for use with high speed presses are available from Evered and Company (Metals), Surrey Works, Smethwick, Warley, Worcs. (021-558 3191).

Standard weight coils are butt welded and then traverse wound on to steel reels. With strip 6.35 mm wide, about 40 km in a single continuous length can be accommodated on one reel.

The strip can be supplied in widths ranging from 6.35 to 35 mm, in thicknesses from 0.25 to 1.22 mm. The company claims that the strip will uncoil to the press uniformly and without distortion.

● CATERING

Kite Mark for vending machine

KLIX SYSTEM for "Cassette drinks" has passed an extensive test in the London area, and is now in national distribution. At the same time, it has become the first vending system to receive British Standards Institute approval on safety grounds.

The concept uses pre-packed, sealed hygienic cups which interlock to form a cassette. Because they are packed and filled with dry ingredient under factory conditions the measurement of the product can be to fine tolerances, permitting a standard drink in the cup. An air gap in the nesting cups prevents powders in one from sticking to the bottom of the preceding one.

The cups are also treated with an anti-static finish to prevent their sticking together. This, again, avoids powder adhesion to the nested cups.

Another advantage of the pre-packed cups is that the simplified filling system made possible by their design means that much of the complex mechanism inside the traditional vending machinery is no longer necessary. Mixing and measuring of the ingredients by the vending machine is eliminated.

BSI approval under the overall safety label applies micro-biologically thermally and mechanically. The tests were done for BSI by Albury Laboratories.

Four Square Catering and Vending, which now gets a Kite Mark, is a division of Mars and operates from Ajax Avenue, Slough, Bucks. Slough 32151.

● SHIPPING

Tank stores oil at sea

ON BEHALF of Shell Internationale Petroleum Maatschappij BV, the Offshore Services Group of Lloyd's Register of Shipping has appraised the design of a semi-submersible tanker loading unit with a view to future classification with Lloyd's Register as OU 100A1 "Tanker loading unit."

Lloyd's Register has worked in close collaboration with Shell from the time the project was first proposed and has been able to offer technical advice in the design stages. This means that when the first unit comes to be built it will conform fully with existing offshore regulations and will be eligible for certification by Lloyd's Register acting as a certifying authority on behalf of the British Government.

Lloyd's carried out design checks on the machinery, electrical systems and stability. The structural (contract) drawings have been fully approved for main scantlings in accordance with Lloyd's "Rules for the construction and classification of mobile offshire units."

The tanker loading unit (TLU) is designed for operation as a manned crude loading single point mooring bouy in the open sea. As such it will have the usual systems essential for a single point mooring, together with additional systems to enable it to operate as a manned offshore unit, including living accommodation, power generation equipment, tanks, pumps and utilities.

Its basic design is that of a column stabilised semi-submersible unit, capable of being telescoped. The basic dimensions and arrangement of the three main parts are such that the TLU may be built in a shipyard, each section being erected on top of the next (in the telescoped configuration) ready for launching and transit.

On location the TLU would receive processed crude oil for loading into tankers from an adjacent production storage platform through a submarine pipeline terminating in a manifold on the seabed under the TLU.

● MINING

Travel to mine faces

GREAT DISTANCES travelled underground by miners in the Yorkshire coalfields before they reach the coal faces has resulted in the National Coal Board placing an order with the Hunslet Engine Company of Leeds for a new prototype underground locomotive to drive the "paddy trains."

The new loco, now under construction, has a hydrostatic drive which should provide greater flexibility and safety and eliminate the danger of skidding when severe braking is necessary. In addition, the loco can be fitted with a rack drive which will enable it to travel up steep gradients which occur from time to time in coalmines.

Hunslet plans to have the prototype ready for surface trials by October. It will be of interest in mining generally.

The scale of the problem in getting the miners to the faces from the pit bottom is illustrated by the fact that in April 1974 the average distance ridden underground to and from each working district was 5,200 yards. By the end of March 1976, this is expected to increase to 6,200 yards while the total travelling distance averages 8,500 yards, which means over a mile of walking on top of the underground train journey, often in fatiguing, hot conditions.

● ELECTRONICS

Lower-cost memory

HIGH-VOLUME price of than half a cent per bit is jected for a new bipolar grammable read only men (PROM) from Fairchild.

The 2048-bit PROM i porates two technological f according to its developers. the first device to use Isoplanar processing Schottky technology on the chip, and also the first to bine these structures with link technology.

A maximum read-cycle of 50 nanoseconds over 0-75 deg. C. temperature r and 60 nanoseconds over the military-specification rang claimed with typical read ti 30 nanoseconds.

Fairchild is at King House, Station Road, Barnet, Herts. EN5 1N6 (7311).

No flicker LED offers

ONE DISADVANTAGE of a conventional light em diode as an indicator, in cor tion with an internal or ex series resistor, is that luminous intensity of the changes when there are tions in the supply voltage is usually noticeable as fl

To simplify design, and e engineers to dispense stabilised power supplies fo application, Litronix has duced a range of constant rent (and therefore co brightness) LEDs.

The smallest device avai the RLC210, is 0.2 inch (excluding leads). Light o remains constant for voltages between 4.5 and 11. The larger RLC201 is 0.34 high and is operable betwe and 16 volts. A restricted v range, but higher light o version of the RL201 is available, designated the R

If any of the above d are required to operate higher voltage, unstat power supplies, this ca accomplished by connecti suitable Zener diode in with the LED.

Jermyn Distribution, oaks (0732) 50144.

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FINANCIAL TIMES SURVEY

Wednesday May 7 1975

VEHICLE COMPONENTS

The rise in oil prices has led to an unsettled period for producers of motor components. Sales of some types have actually increased while in other sectors there have been big declines.

Changes in the demand pattern

THE HUGE increases in oil prices throughout the Western world have had an unsettling effect on the motor components business, just as they have on the motor business itself. But the effect has not been uniformly bad. Sales of certain types of components have actually increased substantially, while in other areas there have been big declines.

Perhaps the most obvious example of a booming sector has been the diesel engine business, where operators of light and medium commercial vehicles, taxis and — in some countries — fleets of cars have been switching to diesel fuel in a big way, because of the lower prices and better mileage performance.

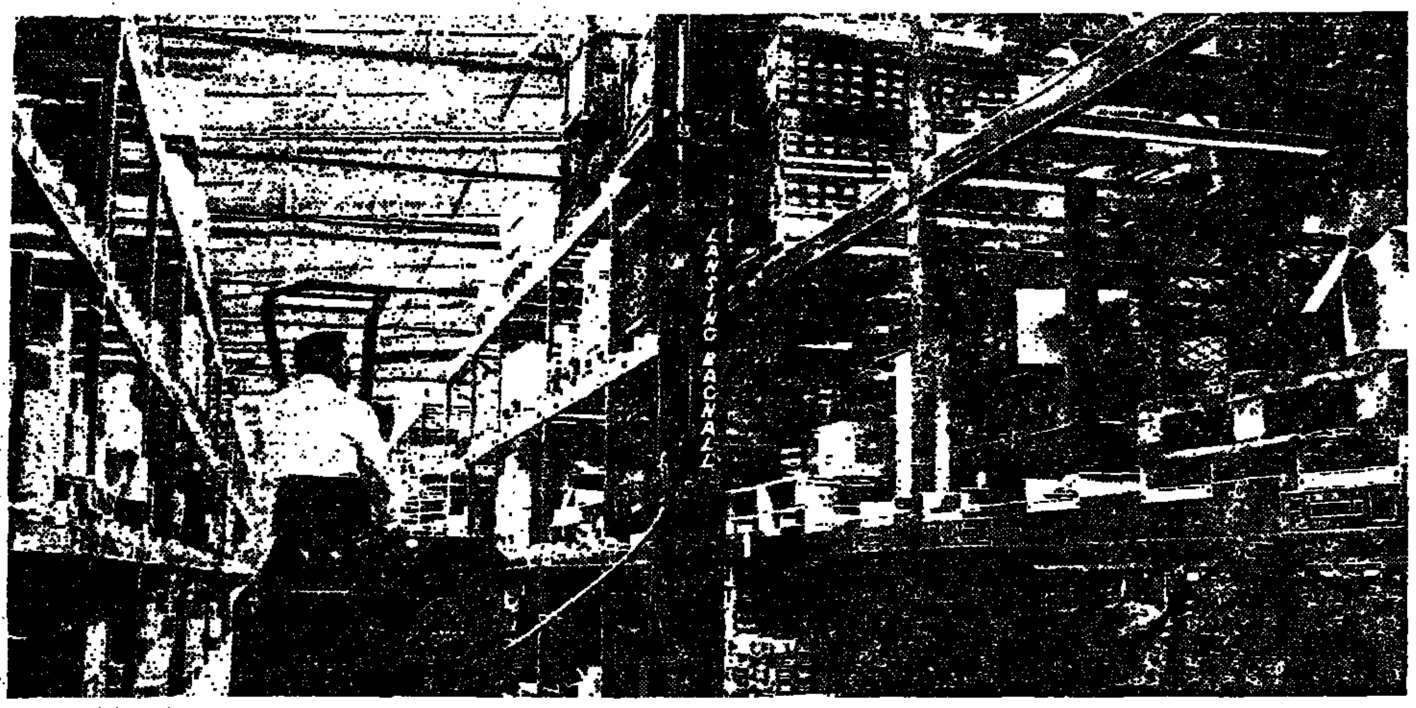
But other areas have been strong, too. There is much more demand for five-speed gearboxes, with their more complicated gearing, in place of the simpler four-speed boxes. Overdrives have also found new favour, though these days they tend only to be fitted to British and some Swedish cars.

The use of aluminium, both as a material for cylinder blocks and for use in body panels, has increased and is likely to increase still further, because of its weight advantages over steel in a situation where lightness can improve fuel economy. More sophisticated types of carburettors, with better fuel mixing arrangements, have to some extent succeeded the cheapest and crudest types, and there has been a re-awakening of interest in electronic fuel injection systems. For the same reasons, more sophisticated combustion chambers and ultimately, perhaps, the stratified charge type of combustion chamber pioneered by Honda in its CVCC car, are likely to replace the more straightforward types.

Seating

Plastic, too, has taken a boost, again because of its light weight and because, for example, where car manufacturers wish to change the shape of a front or rear-end to improve aerodynamic efficiency, it is often cheaper to fit a moulded plastic part rather than to tool up for a new metal one.

In seating materials and trim, however, plastic is beginning to give way to synthetic cloths, perhaps partly because the oil crisis has reduced the price differential between plastic sheeting and the more attractive woven materials.



Ford's storage depot at Daventry from where thousands of different types of components are despatched.

On the other hand, there has been a significant weakening in demand for certain other types of components, which has often been far in excess of the decline in the market as a whole. Perhaps the most obvious example is the demand for Wankel engine components and rotary seals, which certain component manufacturers were tipping for enormous growth in demand as recently as two or three years ago. In the event, of course, output of rotary cars by Toyo Kogyo in Japan has slumped disastrously and has virtually been discontinued by Volkswagen and Citroen in Europe—the closure of VW's Neckarsulm plant, if it had been acceptable to the German Government, would have spelt the end of VW's Wankel involvement. GM had indefinitely postponed its own plans to introduce Wankel engined cars both in the United States and in Europe.

Automatic transmission sales, at least in Europe, have tumbled dramatically from the rapid growth path on which they had been set in the Sixties. Predictions, mostly made by American companies, that the level of automatic motoring in Europe would follow historic U.S. patterns now appear to have a hollow ring. And with new manufacturers, such as Ford, GM, Renault and Automotive Products competing for the available business, the outlook seems competitive.

The swing to smaller cars has, of course, had its own impact on the vehicle components market. Almost all of the sophisticated extras fitted to cars, from quadrophonic tape players, to electric windows, power steering, run-flat tyres anti-lock brakes or sunshine roofs are sold as extras on the higher-priced big cars. With a slump in demand for big cars, there has been an immediate fall off in the demand for expensive factory-fitted options, too. This situation has not yet been countered by increased sales on smaller cars.

The sectors that have held up best in Europe, components for heavy trucks, for buses, tractors and for small economy cars, however, have all seen new competitors emerging on the scene. American companies like ITT, which has bought into Teves, like Eason, Fuller or GM's Detroit Diesel division have seen new opportunities in Europe that are denied to them either by anti-trust laws or by the competitive situation and stagnant market in the U.S. In the past few years there has been a substantial transatlantic traffic in American companies establishing new ventures in Europe, either by buying existing European-owned companies or by establishing a new plant.

Pricing

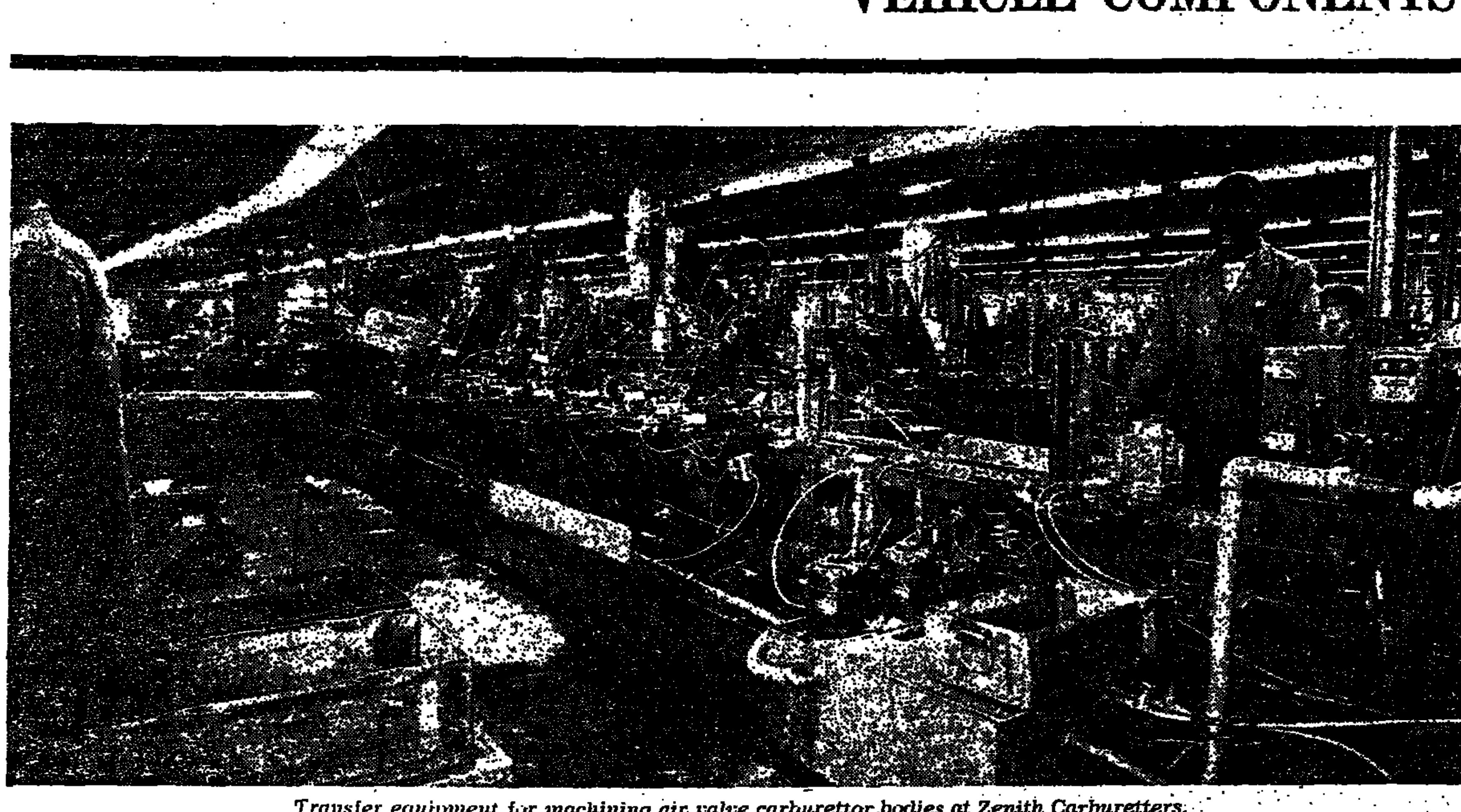
At the same time, European manufacturers, particularly in the truck field, have seen the need to buy components from outside, if they are to maintain their competitive pricing structure. Fiat's commercial vehicle division, which in the past has manufactured a high proportion of its own components, is now setting out to buy from the cheapest source, often an American company based in Europe or from a British supplier. The Club truck, built jointly by Saviem, KHD, Volvo and DAF has made substantial use of bought-in components in its various versions including British-built Perkins engines, simply because this was the only way to match competitive pricing.

While there has been little growth in the total demand for components in the past few years there has, therefore, been a substantial increase in trading of components sometimes from one manufacturer to another. Arrangements such as the Triumph-Saab deal, where the British company supplies completed engines to the Swedish company until it was able to set up its own manufacturing capacity, are likely to be increasingly common. So, too, are deals like the Peugeot-Renault components interchange scheme or the still-born arrangement between Fiat and Citroen which, however, have continued to lead to a lively trade in parts.

The development of substantial motor markets in the new oil rich states like Iran, Iraq, Algeria, Nigeria and Venezuela and in the now consumer-goods hungry markets of Eastern Europe has provided a substantial growth opportunity for European component suppliers. In many of these countries, the market is too small to justify full-scale manufacturing of cars or trucks, so that key capital-intensive items such engines, transmissions and some body panels have to be shipped out. Tyres, glass, interior trim, brakes and electrical parts are often made locally as are the chassis and cabs for trucks but the more expensive forged and stamped items have to be imported.

In some of these countries, the market particularly for cars, but also sometimes for tractors and trucks, has exploded in the past few years, with growth rates of 50 per cent, or even 100 per cent, in a year. The Japanese have been particularly astute at signing deals with developing countries, especially those in East Asia, but British companies have also had their successes, notably with Iran National and with Hyundai in Korea. On a smaller scale Massey-Ferguson's tractor deal in Poland and similar schemes under negotiation in Iran and Turkey could lead to valuable orders for British components.

James Ensor



Transfer equipment for machining air valve carburettor bodies at Zenith Carburetters.

The all-aluminium engine

THE TRANSPORT industries collectively provide the biggest market for aluminium and the car section heads this demand. Examples of aluminium based components are probably well-known—clutch housings, timing, gearbox and sump covers, boot lids and bonnets, door panels and, more recently, radiators. And those driving "GT" or tuned engined models are aware they have aluminium or light alloy heads. These provide, among other things, more even temperature distribution and better heat dissipation than iron heads, making it easier to increase compression ratios to provide higher performance. Because of the lower temperatures generated it is believed light alloy heads also make it easier to deal with the nitrous oxide pollution element, the formation of which is associated with high temperature. Emission of NOx is becoming increasingly strictly controlled, and it is perhaps the most persistently difficult element to reduce to the new low levels that have been set for the motor industry. Performance was one of the principal factors leading to the introduction of light alloy heads: anti-pollution requirements have provided additional stimulus. Another, and in some instances the over-riding consideration, is saving weight, on the principle that saving weight saves money.

While aluminium cylinder heads are now quite prevalent, the use of the metal in cylinder blocks is limited to a number of models in relatively small-scale production like the Rover V-8, the Jaguar V-12, Rolls-Royce, Chrysler Imp, Triumph Dolomite, Reliant and Lotus.

All except the Imp are made outside the major plants by specialist foundries and though new economic circumstances—the need for fuel economy, price changes and so on — have been favouring lighter weight vehicles, it would need one of the "Big Four"—British Leyland, Ford, Vauxhall or Chrysler—to switch to an all-aluminium engine for a high-volume model before it could be said a breakthrough had occurred. There is no sign of this happening at the moment, although, of course, developments, which would not be likely to materialise until the 1980s, could have begun.

Committed

While aluminium has been in use by the motor industry for as long as it has been making cars, and on a growing scale, its use as engine block material did not really get into its stride until the 1960s. The motor industry, therefore was heavily committed to cast iron engines before the technical possibilities had been developed. The volume car manufacturers make all, or almost all their own engines, and so have a substantial investment in iron foundries, ancillary processes and equipment and machine tools for handling cast iron. Their experience with aluminium or light alloy component production is generally not extensive; hence specialist foundries have nearly always been called in when an alloy block has been needed. The exception is Chrysler, which makes the Imp aluminium engine, and is, moreover, the only one using a low pressure technique. All the other engines are gravity cast.

The Imp engine was derived from a Coventry Climax fire pump engine designed to be light and portable enough for use by airborne troops. It was re-designed in 1959-60 and put in the production car some three years later. Like all but one or two aluminium blocks the pistons operate in fully machined cast-iron liners which form an integral part of the block. Compared with an equivalent cast iron engine, the Imp engine has an advantage of around 3 mpg. When fitted into one of Chrysler's Avenger cars it improves the fuel economy by 5-6 mpg (though of course performance is reduced). Part of this improvement comes from weight saving. The Imp alloy engine weighs 170 pounds against the 320 pounds of the 1300 cc Avenger engine with iron block and cylinder head. Just changing the head on an Avenger engine, for instance, would save around 15 pounds.

Making the same change on a larger capacity engine would naturally result in a bigger weight saving. Generally other changes can be incorporated when a design is being updated, to the extent it should be possible to trim off something like 40 lb compared with a ten-year-old design of all-iron engine.

Another example of weight saving is the Rover all-aluminium V8 of 3,500 cc capacity. This weighs only a few pounds more than the four cylinder 2200 cc capacity engine with iron cylinder block and light alloy cylinder head. A rough and ready guide is that an aluminium engine with necessary fitments will weigh about half as much as an equivalent iron engine. Having to propel less weight around helps promote fuel efficiency. But there are other benefits, already mentioned, particularly the ability to lighten the suspension system. Indeed, if full advantage is to be taken of an all-aluminium engine it would almost certainly require a new model or at very least extensive—and costly—redesigning of an existing model.

All the engines so far talked about—and indeed this goes also for other countries—have cast iron piston liners. The only one that does not, and is therefore a true all-aluminium block in which aluminium pistons run in aluminium bores is the Vega 2300 four cylinder in-line engine produced by General Motors and claimed to be the most sophisticated engine ever made in America.

Objectives

When the programme was announced late in 1968 among the design objectives were low exhaust and emission characteristics, fuel economy competitive with foreign mini cars and ability to use regular grade and non-leaded fuels. These are among the paramount objectives of engine designers to-day and explain why there is a movement to light alloy heads. Among the toughest problems Vega's designers had to overcome were cold start conditions when lubrication is washed away, the development of a high-silicon aluminium alloy that was die-castable and a die-cast process that would produce sound castings. Manufacturing techniques necessary for high volume production had to be evolved. Curiously, as it now seems, the Vega has a cast iron cylinder head. Both choices were originally made on economic grounds, although the head also provided additional stiffness. In this country those who have appraised it say the engine has a low oil consumption, is durable, and provides an acceptable performance. This has now been improved by Cosworth, which has designed a tuned version with aluminium head and electronic fuel injection which has a power output of 120 hp at 5,600 revs compared with the 90 hp at 4,600 revs of the standard Vega. The tuned engines have just gone on sale in the U.S.

While the Vega has aroused wide technical interest in high silicon aluminium engines in the U.K., the very high development costs associated with them out of reach while the current depression lasts. Yet another interesting recent development charting a possible trend has been the introduction of all-aluminium diesel engines. Among the very few who have ventured into this field is Peugeot, which launched it last year as an alternative to the petrol version installed in the 204 series. This is a die-cast engine designed for volume production and is made by a Peugeot subsidiary—a company it bought up soon after it had brought into production the Peugeot-designed petrol version.

These two examples illustrate the pace and trend of developments outside the U.K. While there is no lack of technical expertise here, the heavy commitment in iron foundries by motor manufacturers must inevitably be a drag against expansion in aluminium, at least until either a manufacturer is prepared to put down his own facilities or to pay a specialist foundry to do the job on a volume production basis.

One of the arguments against aluminium has been its high cost in energy terms. In America the energy return factor is used to relate the energy saved in powering a lighter aluminium-containing vehicle over its lifetime to the additional energy to make aluminium instead of iron and steel for the vehicle. For various kinds of transport, including ships, this is put at well above five, and on this basis demonstrates that greater overall energy savings could be made by appropriately extending the use of aluminium. And since foundries use reclaimed aluminium almost exclusively for castings the argument for aluminium is strengthened.

Peter Cartwright

Electronics edge their way in

THE ELECTRONIC age has taken a long time breaking into the car industry. Although electronics has long been a major part of the aircraft business, starting initially with military aircraft and with radar and navigational equipment, its progress in land vehicles has been slow. The electronic aviation business is now so large that it has its own name—avionics. But, as yet, there is no motoronics.

This is due in part, of course, to the fact that excess weight and size are not the penalty on the ground that they are in the air. Traditional mechanical methods of actuating machinery are almost always cheaper than their electronic equivalents, even though they may be much more bulky and heavy. It must also be recognised that motor industry engineers, trained in the school of robust mechanical engineering, have often had little knowledge of or interest in the developments taking place in the electronics field.

The growing demands for safety by Government authorities and an increasing expectation on the part of buyers that their vehicles should be reliable and easily checked out, has, however, led to a belated discovery of electronics by the motor industry. For, as the manufacturers of calculating machines, cash registers, typewriters and office machinery have already discovered, the basic simplicity and robustness of electronic systems makes them inherently more reliable than mechanical alternatives.

Injection

Perhaps the first wide-scale use of electronics in the car has been in the control of fuel injection systems. First tried out in racing cars, the system was offered commercially by Bosch, which developed a system that proved to be much more successful on the market and evidently more reliable than the corresponding mechanical system developed in Britain by Lucas. Bosch has had second thoughts about electronic fuel injection, developing an alternative mechanical system as well, but it seems likely that in the long run the switch will be made to electronics.

Ignition systems, with their need to distribute a spark successively to four, six or eight cylinders and the need that this imposes for a rapidly spinning mechanical contact-breaker, have proved to be one of the least reliable parts of the petrol engine. Electrical manufacturers including both Bosch and Lucas have been working hard to develop fully electronic ignition, which would eliminate most of the causes of breakdown. This they have largely done and the systems are gradually being installed in a larger number of European cars, starting with the more expensive ones like Mercedes, Jaguar and Volvo.

Automatic transmissions, with their complicated array of pipes and tubes—any one of which can be blocked and cause a breakdown of the whole system—have always appeared to use excessively complicated hydraulic methods for achieving things which might be much simpler electronically. After all, a very simple analogue computer such as those used to control certain continuous process plants in industry, could easily analyse the demands of weight, pedal pressure and speed in a gearbox and change the gears according to pre-programmed rules. Only Renault, so far, seems to have accepted the logic of this situation and developed a reasonably effective electronic automatic transmission. But others will surely follow.

The vehicle electrics and instrumentation, of course, also readily lend themselves to electronic systems and controls, both for fault-checking and to simplify the mass of wires and harnesses which have to be accommodated under a car bonnet. The adoption in the U.S. of systems to prevent drunken drivers from starting their cars, by forcing them to repeat a sequence of random numbers flashed at them on a panel has led to the adoption of small electronic actuators and displays.

But more fundamentally, speedometers and rev counters, lighting controls and air conditioning systems can all be controlled electronically rather than mechanically. There is no doubt that the most successful air conditioning systems are those like the one adopted by Rolls-Royce which use temperature sensors fed into a small electronic computer to maintain constant temperature and humidity irrespective of external air conditions.

Constant speed controls, which keep a car cruising steadily on a motorway, irrespective of wind or terrain conditions, are another example of sophisticated controls, now only adopted on the most expensive cars like the Rolls-Royce, which use electronics.

The warning panels, which indicate such failures as brakes, oil pressure, engine temperature or fuel levels, are all subjects for electronic systems. Ideally all the possible danger points in a car could be rigged to a central computer system, which would then flash a warning to the driver, indicating whether he should stop immediately or investigate later if the f
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James I

Clinging to the hand shift

FOR YEARS now automatic transmission manufacturers have been waiting for the European motorist to follow the 90 per cent. of American drivers who have given up the gear stick. But it has been slow progress so far. In Britain about 12 per cent. of the cars on the road are automatic, and in Germany about the same. In France the figure is down to about 10 per cent., and the Italians appear hopelessly wedded to the idea of manual gear-changes. The energy lobby has now come along to provide another damper to the automatic lobby.

Automatic gearboxes mean that the motorist uses in the region of 5 or 6 per cent. more fuel per mile than the car using a manual transmission. At a time when soaring fuel costs have caused manufacturers to think again about the thirsty Wankel engine, and motorists themselves to cut petrol consumption by 4 per cent. last year—and apparently more in the first three months of 1975 — this inflicts a considerable inherent disadvantage on the automatic gearbox.

As with the move away from buying larger, more thirsty cars, however, there was no dramatic switch from automatics last year. Borg Warner, the major of the two manufacturers in the U.K., claims that it produced about the same amount as in 1973 — a boom year for car sales. So far, its factories have had no short time working. This situation, of course, would change if the car market sinks any further, but even if it does the proportion of automatic to manual transmission sales will not necessarily change.

What seems to be happening, for the time being at least, is that the gradual growth in automatic sales has been halted. But the converts to the system remain faithful—even when trading down to a smaller car. The evidence suggests that most motorists, once adapted to the ease of driving an automatic, are extremely reluctant to go back to manual gear shifting.

This carries a small degree of comfort to the automatic manufacturers. On the other hand, they need new converts, and expensive fuel makes them much harder to get. Manufacturers have never found it easy to get over the message of automatic transmission: the best way of selling it, they say, is by example, and the level of repurchase—well over 90 per cent.—goes a long way to proving the point. But to get people into the car and demonstrate the effectiveness and ease of an automatic may now become more difficult.

Expensive

There is a second danger for the producers in the drift towards smaller cars. Automatic gearboxes are more expensive than manual, and cost very much the same to make for small and large cars. Hence the proportion of extra cost on a small car is larger than on a luxury saloon. On a Mini 1000 the automatic costs £175—almost 13 per cent. of the basic price. Hence there may well be added difficulty in selling, plus pressure on the manufacturer to cut margins.

On the other hand, taking a brighter view of the prospects of the motor industry—and most research departments see expansion beginning again in 1977-1978—any breakthrough in the volume areas of the market would be welcome. In Europe the vast bulk of automatic sales are to the prestige, luxury car markets—Jaguar, Mercedes, BMW, Volvo. About 95 per cent. of all Jaguars sold, for instance, have automatics, and about 75 per cent. of all Rover 3.5s. Growth in the longer term can only come by penetrating lower down the market.

Borg Warner believes that the trading down to automatic transmissions in smaller cars has already begun—evidence being partly its own ability to keep production going on an even keel last year. Whether this really will become an established trend is another matter, and in any case, something like a 10 per cent. cut in automatic transmission production must almost certainly come this year unless the car industry in general picks up, simply because of the decline in new cars sold.

Automotive Products, the only other domestic producer of automatic transmissions, takes a slightly less sanguine view of the situation. Unlike Borg Warner, AP is involved with one manufacturer only (British Leyland) and supplies to only a limited range of cars—the Mini, the Allegro and the Maxi. None of these has shown much shift of demand towards automatics over the last year in spite of the Mini's sales revival.

In the immediate future it looks as though the vehicles that may chiefly benefit from a shift in buying habits will be in the middle range cars — British Leyland's Triumphs and 18-22 Series, BMWs and so on. AP believes that the traditional market will remain, but that it will become increasingly difficult to get new customers. This means that it has seen cause radically to revise its own prediction that by 1980 some 70 per cent. of the British motoring public would have gone over to automatic.

Prompted

A similar confidence that the European market for automatics would grow considerably over the next five years prompted Ford's £54m. investment in the industry. Ford believed that the market would at least double in Europe by 1980. Its decision to make its own automatics was possibly prompted by the problem of applying a system of double "sourcing" — the method of ensuring at least two supplies for components as a protection against strikes and breakdowns. Automatic transmission plants represent such a big investment that they inevitably demand close co-operation between producer and user — or in-house production.

Like General Motors, which set up its own European automatic transmissions plant at Strasbourg in the mid 1960s, Ford chose a Continental site at Bordeaux. This has involved training a completely inexperienced workforce, but the company is now producing a range of units to go into
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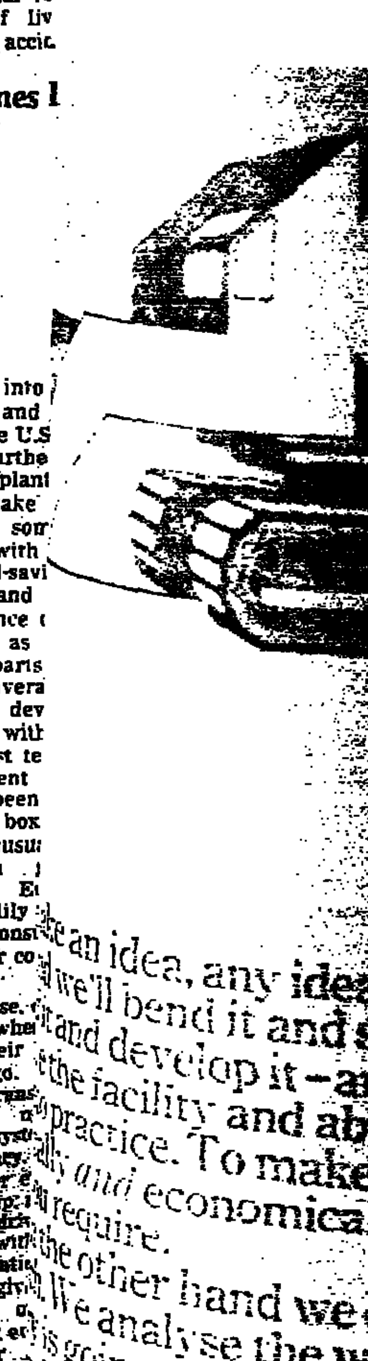
Terry Dod



Run-flat tyre developments

MORE THAN three years ago Dunlop unveiled its revolutionary "Total Mobility Concept"—a tyre that stayed on the rim after a blow-out and could be driven on after a puncture for up to 100 miles at 50 m.p.h.

It was widely predicted that the Total Mobility Concept (since renamed the Denovo) would sweep Europe's motor industry because its safety and convenience advantages were so great. That has not happened. So far, it has been used as optional original equipment only on two low volume models, the Rover 3500 with power steering, and the Mini 1275GT.

About 25,000 Denovo tyres are now in use by private motorists, plus an unspecified though smaller number on police cars. It has done everything that was claimed for it. Denovo-equipped cars have remained under full control after potentially hazardous tyre bursts, and have been driven to service stations after sustaining punctures. Technically, it is a total success; commercially, a question mark still hangs over it, though Dunlop remains convinced that large volume production and sales are only a matter of time.

British Leyland's decision to offer Denovo as optional equipment on the new 18/22 range has been welcomed by Dunlop as a fulfilment of its hopes. Total production of up to 1,400 18/22 cars per week is anticipated, and Dunlop expects 50 per cent. of buyers of the top-of-the-range Wolseley version will choose Denovo. Uptake in the cheaper Austin-Morris 1800cc and 2200cc versions is expected to be closer to 10 per cent.

Estimates

If Dunlop's estimates are right, it will mean that 1975 will see a doubling of the number of Denovo tyres in service. The next cars intended to have optional Denovo fitment are the Hillman Avenger and Hillman Hunter, but this is not likely to come about by the original May 1975 target date. Longer term, the Rolls-Royce Camargue will be offered with Denovo and Dunlop has expectations of orders from mainland European manufacturers. Favourites are Volkswagen and Fiat. Both the VW Golf and Fiat 132 have been fitted with Denovo tyres. for extended development.

Germany and Italy would be the two best countries in mainland Europe for Denovo. Dunlop has two of its own manufacturing plants in Germany and a substantial share of both original equipment and replacement markets. In Italy, Dunlop's partner, Pirelli. is ready to manufacture Denovo in many of its tyre factories. Pirelli still dominates the Italian tyre market and is a major supplier of original equipment tyres to Fiat.

It has to be faced that circumstances in the last two years have not been in Denovo's favour. When it was revealed in February 1972, most of Europe's motorways were derestricted and the hazard of a high-speed tyre burst was very real. Now, only in Germany can a driver legally exceed 80 mph on a motorway, and it is perhaps significant that Dunlop's promotional campaign for Denovo majors on the convenience of avoiding a roadside wheel change rather than on retaining control after a blow-out. Even so, the danger of changing a wheel on a motorway hard shoulder at night should not be under-estimated.

The greatest hurdle Denovo has still to leap is that of price. On the BLMC 18/22, Denovo fitment adds £62 to the cost of the car, which may seem rather a lot when it is borne in mind that the buyer is getting only four wheels and tyres instead of five. Dunlop, however, is confident that a 5 per cent. premium on the price of a car in the £2,500 to £2,900 brackets will not deter safety and convenience minded buyers from choosing Denovo, and it has a lot of market research data to support its view.

That may be so, but it is equally true that car makers, faced with the need to increase their prices three or four times a year to keep pace with inflation, must look with caution on a tyre that costs so much. Dunlop's competitors have been lying low on the run-flat tyre front. Denovo at present has no rival in the market place. The greatest threat to Dunlop's hopes of the adoption of Denovo on a massive scale by European car manufacturers is a tyre that does not officially exist—the Michelin run-flat.

It is common knowledge among tyre manufacturers that the secretive French giant has a run-flat tyre in advanced stages of development. Last year, representatives of most of Europe's car makers were taken to the enormous Michelin proving ground and research centre at Ladoux, near Clermont Ferrand, for demonstrations of the run-flat tyre.

The Michelin development is less sophisticated than Denovo, at any rate in its present stage. The tyre is a fairly conventional steel-belted radial about 70 per cent. as high as it is wide (a so-called 70 series, like the tyres fitted to many higher-performance cars to-day). It is mounted on a one-piece wheel, whereas Denovo has to be used with a two-piece wheel so that the containers which release a lubricant at the moment of deflation can be fitted.

In the Michelin wheel the tyre-fitting well is reduced to a narrow trough, like that of the Avon Safety Wheel. Whereas the trough in the Avon wheel is covered by a steel strip after the tyre has been mounted, Michelin fills the trough with a thick rubber band which the tyre's bead then holds in place. Part of the Michelin system is an electric warning device that the tyre is losing pressure—something Michelin has supplied to heavy lorry operators on the European Continent for many years past.

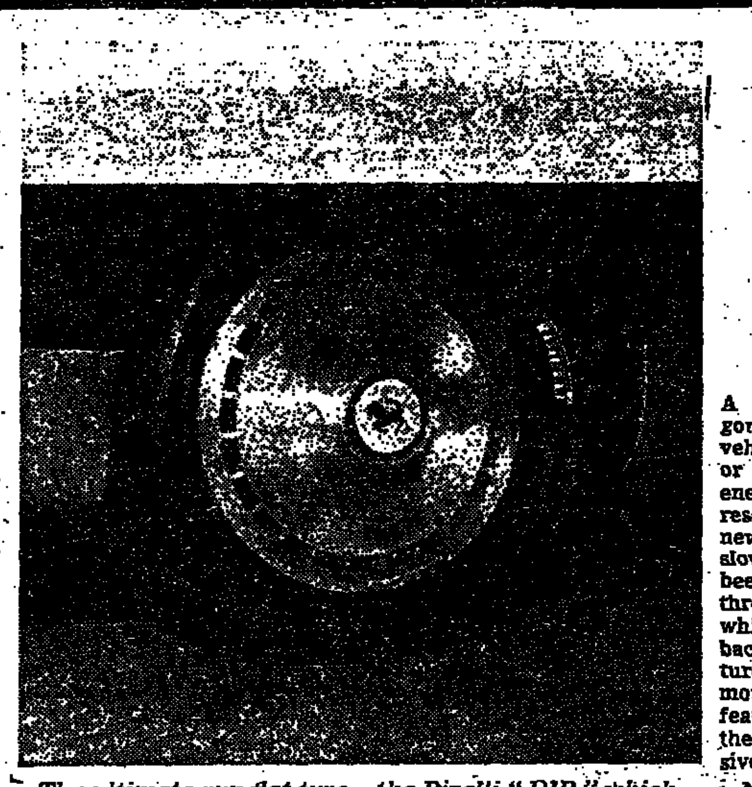
Devious

Like Denovo, the Michelin run-flat uses an internal lubricant, but it is simply squirted in through the valve, as it is in a not dissimilar development by Firestone called the ACT, or Advanced Concept Tyre. In its usual devious way, Michelin has let it be known unofficially that the run-flat tyre is still being evaluated by customers. What they saw at Ladoux last year may not be its final form. Then, it had been widely anticipated that Michelin would announce the run-flat in mid-1975 for use as original equipment on selected 1976 model cars. Now, it seems that the announcement has been delayed, and the run-flat tyre (possibly mounted on a fibre reinforced plastics wheel, will not be seen in public until early next year.

Michelin is known to take the view that, however good a run-flat tyre may be, a set of four must cost no more than five normal steel-belt radials. It may also have decided, with the logic for which France is renowned, that it makes better sense to carry on selling five tyres per car, not four.

Other than Dunlop's efforts to promote Denovo, and the leakage of information about the Michelin product, there has been little apparent activity on run-flat tyres in recent months. Firestone's Advanced Concept Tyre, announced last summer, has many similarities with the Denovo in construction. This is hardly surprising, because Dunlop admits to having taken a long, hard look at the cantilever sidewalled Firestone LXX concept tyre that appeared in the late 1960s and of which little has been heard since. The Firestone ACT may need a better wheel—possibly something like the Avon Safety Wheel—to ensure that it stays in place if violent manoeuvring follows a sudden deflation.

The ACT has been offered to the U.S. motor industry for 1976 models. No takers have been announced so far, nor have any plans been revealed for producing it in Firestone's many European factories. But, when Michelin makes a move, Firestone could soon follow. Significantly, Firestone has said that it would aim to sell four of its ACTs for the price of five normal tyres.



The ultimate run-flat tyre—the Pirelli "DIP," which stands for Development Integrated Project. It can be made by injection moulding and is expected to revolutionise the tyre industry in the early 1980s.

Nothing has been heard of the Kleber TTT, a triple-chambered tubeless tyre that fits on to a normal wheel, although it was disclosed more than two years ago. The idea is that, if the main chamber punctures, the air in the side chambers supports the weight of the car and maintains almost normal handling characteristics. The TTT would be expensive to manufacture. Much the same principle was involved in a Goodyear double-chambered tyre which made a brief appearance in the U.S. nearly 20 years ago. Goodyear's silence on the question of run-flat tyres should not be taken to indicate lack of interest or inactivity. The world's largest tyremaker, like Europe's largest (Michelin), is simply playing its cards close to its chest.

The Avon Safety Wheel, which protects against loss of control in a blow-out, has made little progress commercially and may well have missed the boat, at any rate in its present form. Work now in hand to allow it to be used with an internally lubricated tyre may give it some run-flat capability and improve its prospects.

Bridgestone of Japan has shown two types of run-flat tyre, one for U.S.-sized cars, the other for smaller European models. The larger has a separate auxiliary tyre inside it to support the car after a puncture; the smaller makes use of reinforced sidewalls. Both would be used with an electronic loss-of-pressure warning system, but neither appears to have much commercial future.

B. F. Goodrich, which makes tyres in its own European plants as well as those of its Dutch Vredestein subsidiary, has concentrated on a puncture-sealing tyre rather than a run-flat. It is called the Golden Lifesaver, and uses inner layers of polyethylene and microcellular rubber to seal off penetrating objects like nails. A few sizes are on sale in the replacement market.

Waiting in the wings to take over from the Denovo is the "DIP" tyre invented and now being developed by Dunlop's Italian partner, Pirelli. Whereas the Denovo is an extension of conventional tyre technology, the DIP breaks all the rules. It is more akin to a highly sophisticated solid tyre—or a system of rubber springs—than a normal pneumatic, because it works under compression rather than tension. As it has little need of air to give it the required dynamic qualities, it is well suited to running flat. Development examples have even performed satisfactorily when cut into halves around the circumference.

Performance aspects apart, the "DIP" is attractive because of its extreme simplicity. The casing is not reinforced with textile plies like normal tyres and can thus be produced by a form of injection moulding instead of by the labour-intensive building process. Although it would contain more rubber than a conventional tyre, it need be mounted only on a very simple, cheap wheel.

Market

The run-flat tyre scenario appears to run thus. Dunlop will continue to progress into the original equipment market with the Denovo, though not as quickly as had once been hoped and mainly for medium and higher-priced cars. Michelin will launch its run-flat when it considers the time is ripe, and especially if it sees Denovo edging into mainland European markets, or being produced under licence by other makers. Firestone would be likely to follow on with a European version of the ACT. In the 1980s, assuming development continues to go well, the Pirelli "DIP" will start to supersede them all — unless both Michelin and Goodyear, as the industry suspects, pull something similar to "DIP" out of their hats. By that time, the tyre may be a component expected to last for the life of the family car—not a replaceable item.

Stuart Marshall

New safety features

A GOOD deal of impetus has gone out of research into safety vehicles over the last 18 months or so since the onset of the energy crisis. The pace of research and the initiation of new model development have slowed down as budgets have been severely cut under the threat of financial insolvency, while, against an escalating cost background, vehicle manufacturers have had to look much more closely at incorporating features which would make their models even more expensive to buy and run.

Nevertheless, many of the models which have appeared since the end of 1973 and which were conceived in a growing world market before the energy crisis, feature safety equipment and use safety orientated components.

The safety feature which has created the most controversy in the U.K. has been that of seat belts and the continuing delay in introducing legislation to make the wearing of belts compulsory. However, as far as the seat belt manufacturers are concerned, the most important fact is that belts have to be fitted in new cars.

When discussing vehicle components one runs into definition problems about what is specifically safety orientated and what is not. Fundamentally anything which improves the performance or handling of the car or reduces the likelihood of those either in or outside it being injured in the event of an accident represents a contribution towards safety.

A good many safety developments have been confined to the actual design of the bodyshell, in terms of having strengthened passenger compartments to withstand side-on collisions and front and rear ends of the car which are designed to concertina or "deform progressively" in order to cushion impact. However there has also been a great deal of emphasis on "active," as opposed to "passive" safety involving developments in tyres, suspension, braking and steering.

Impetus

It is probably true to say that a great deal of the impetus towards vehicle safety in recent years has come from manufacturers rather than the Government in this country, although the U.S. is an example of a country where the state has taken the lead in introducing legislation which has not always proved popular with the giant motor corporations.

The actions taken by Government with respect to speed limits and their enforcement legislation for vehicle design and components, separation of vehicles and pedestrians, etc., are obviously the parameters with which the motor companies are most concerned. However, at the beginning of the 1970s a good deal of experimental research was undertaken by car producers which culminated in the array of experimental safety vehicles seen last year at the Experimental Safety Vehicle Exhibition at Crowthorne, Sussex. However, by the time they had appeared they had already been overtaken by events. The vast armoured monsters being developed by motor manufacturers had been criticised even before the oil crisis as being impractical. Once the price of petrol had started to rocket as the Arabs increased their take, and Governments attempted to preserve their balance of payments positions with heavy taxes, the ESVs began to look more and more like the white elephants whose weight they so much resembled.

Injuries

Nevertheless, that is not to say that nothing has been learned from the ESVs. Experiments with dummies have helped to forward developments which minimise injuries to both those inside and outside the car in the event of an accident. Experiments and research into bumper height have shown that pedestrian accidents are minimised with a low bumper and these are the configurations seen in many of the latest models, such as the new Volvos, the new Renault 30 and the British Leyland 18/22 series.

From time to time, headline-catching ideas such as British Leyland's "cow-catcher" arrangement—whereby a pedestrian involved in collision with a car is held onto on the bonnet after the accident—appear, but ultimately it is cost which determines innovation and most work on safety has been related to merely improving present active and passive safety features without branching out into startling new developments.

Tyres have been one important component area where there have been a number of significant recent developments. In particular, Dunlop's Denovo "failsafe tyre," which does not fully deflate when punctured even at high speed and can be driven safely to a garage. The Avon safety wheel, which prevents the tyre from coming away from the rim in the event of a blowout, is another development in the same area.

Going back some way in time, the development of the radial tyre itself—with its separation of functions through design and the use of different materials—was a significant step forward in safety, since it had much better road-holding capabilities, particularly at high speed, than its crossply alternative. A[s] within the overall design of [a] car, the more highly develo[ped] the suspension and the [...] carefully chosen the load di[stri]bution the better the handli[ng] and thus safety—characteris[...]

In braking too, the sprea[d of] disc brakes and the develop[ment] of twin circuit and other sys[tems] which ensure that ther[e is] always braking on the [...] wheels are making bra[king] systems much more effe[ctive]. Other advanced features inc[lude] load-sensitive valves to pre[vent] wheels locking, and wa[rning] lights to let the driver kno[w of] pressure loss or brake wea[r].

For the future, the muc[h in]creased cost of fuel in parti[cular] is likely to lead to the dev[elop]ment of safety equip[ment] taking new directions. [...] almost universal applicati[on of] speed limits and the tre[nd to] smaller cars has already [...] a decline in accidents and [...] in itself, will take some o[f the] steam out of the safety lob[by].

Now that Britain is i[n the] EEC (for however long) [there] is co-ordination within the [com]munity on both exhaust [and] safety requirements. [...] regulations were recently [put] before Parliament which [...] six directives from the [...] relating to exhaust emis[sions], collapsible steering col[umns], anti-theft devices, the str[ength] of seats and their ancho[rages], external projections and in[ternal] fittings. The U.K. has tak[en an] active part in the prepa[ration] of the directives and [has] declared that it supports [their] adoption. In each case the [...] industry and organis[ations] representing motorists [and] other interested parties [have] been consulted. Provided the U.K. remains in the m[arket] we are likely to see a good [deal] more co-ordination of [...] work on a European level.

Peter F[...]

Bigger investments overseas

WITHOUT THE components companies, Britain's motor industry would run only a modest surplus on its export account. The import of cars into the U.K., stabilising at between 25 and 30 per cent. as in other developed European markets, has grown close to the export figure. But export trade in components has risen with remarkable steadiness to overshadow completely the revenue spent on foreign vehicles and motor products. In the first two months of 1975, components brought in £391m. to earn an export surplus of £244m.

Exports, however, are only half the story. Since the war, and progressively in the 1950s and 1960s the component manufacturers have invested overseas. Like other expanding sectors of British industry they tended first to go to traditional Commonwealth markets. In addition, however, they have tackled the Common Market, and progressively the newer established car manufacturing nations such as Spain, Brazil and Iran.

The reason for this expensive thrust is not easy to pinpoint. It is partly due to the relative strength of the British component manufacturers, who have tended to hold a much more central part of the stage in the U.K. than their counterparts overseas.

In the U.S., for instance, the big car manufacturers were large enough to make their own components in economical production runs, so manufacturing developed in-house. On the Continent companies like Fiat deliberately chose the way of complete integration — Fiat even making its own steel—rather than going outside for parts. But U.K. car firms in general concentrated on assembly, thus leaving the component companies free to develop with the strength of a variety of outlets open to them.

When the post-war car market began to take off in Europe in the mid-1950s, therefore, the component manufacturers had the financial strength to exploit the growing opportunities. The European components industry was weak and fragmented because it had been undernourished by the car makers. These small under-capitalised companies gave British manufacturers all the opportunity they needed, both to enter these markets, and go on to acquire Continental companies.

Operations

Part of the reason for establishing operations on the Continent was to avoid tariffs in the pre-Common Market era. But there are also industrial advantages in having manufacturing plants and engineers close to the end users: given the continuing programme of new car development, product discussions are easier when the suppliers are locally-based. Hence Wilmot Breedon, the door catch and window winder manufacturer, has a close relationship with Renault through its French company—which accounts for a substantial amount of its turnover.

Wilmot Breedon's expansion in France, which started with a licensing agreement, is a typical example of how the component manufacturers went overseas. In certain key areas, the British industry has now produced very large and dominant suppliers — Lucas in electrics, Associated Engineering in pistons and bearings, Automotive Products in brakes and clutches, and GKN in a variety of transmission equipment, forged and cast components and fabrications. Because they have had a sizeable position in the British market, their research and manufacturing methods have been as advanced as any in the world, and has added an edge to their ability to penetrate overseas.

Associated Engineering, for example, is Europe's largest manufacturer of precision engine components, with particular expertise in piston and piston rings. Formed in 1947, its expansive stage in Europe began shortly after, and in the early 1960s it consolidated its position with a series of take-overs. From factories in France and Italy, expanded greatly since the time of acquisition, it has now become a major supplier to some of the biggest motor firms — Renault, Saviem, Berliet, Alfa Romeo, Fiat and Lancia. To-day, AE makes almost 40 per cent. of its turnover overseas.

AE's acquisition of Glacier Metal in 1964, also gave it a foothold in Spain, a country which began to excite increasing interest in the European motor industry toward the end of the decade. As the Spanish market has grown, and the major manufacturers have sought to expand into it, the components industry has followed, although usually on a part-interest basis.

More significant for the future, however, has been the move into further-flung world markets such as South America, the Middle East and the Orient. Here, as opposed to Europe, there is a potentially explosive growth for automotive products, with large populations many of which can be expected to take to car ownership over the next decade.

Brazil is the most outstanding current example of a developing nation in this state of transition. The dynamism of its economy has attracted most of the world's biggest car manufacturers—General Motors, Chrysler and Ford from the U.S., Volkswagen and Fiat from Europe. But the U.K., significantly, is most strikingly represented by its components industry.

Interests

Lucas, for instance, has substantial interests in companies making batteries, brakes, diesel fuel injection equipment, and filters. Last year, it took the decision to double its investment in Brazil, and it also has an 80 per cent. stake in an Argentine company making a wide range of automotive electrical equipment. GKN has now established both marketing and manufacturing organisations in Brazil.

Few other developing countries can boast a growth rate to compare with Brazil's—hence the concentration of effort there for the last few years. But many other nations potentially have as large car-owning populations, and attention has been rapidly switching to areas like Indonesia, Japan and the Middle East.

Often the motor trade has begun penetrating these areas through the car exporters. Most developing countries, having begun importing cars, are anxious to put in some local manufacturing content and from this has developed the big parts and "knocked down" (KD) business carried out by all the British car companies. Striking recent examples have been the business built up by Chrysler in Iran, and the contract won by Reliant to supply its small car chassis to Jakarta for the city's small taxis.

Local manufacturing, however, demands know-how and has led to a series of licensing agreements and part ownership deals with component producers. In Iran, for example, GKN is investing some £20m. in a company which will make and assemble clutches, propeller shafts, universal joints and axles, and establish a forge to serve the automotive industry in general.

Part of this agreement involves supplying 50 or so engineers and technicians to Iran for three years to train employees and establish the plant. Future contracts with the Third World are likely to demand equally large elements of educational work, given the political pressures in these countries to establish home-based industries. In South Korea at the moment, for example, the infant motor industry headed by Mr. George Turnbull, the former British Leyland executive, is taking a strict line on foreign involvement.

But co-operation is inevitable; as the component companies have shown, if companies are equipped with a high enough element of expertise. This is abundantly clear in markets like the U.S. or even Japan, which has been so difficult for the car companies to penetrate, but which has seen a growing relationship with the component suppliers. Because of their size, and the investment which has gone into research and development, the component companies look well set to continue their overseas expansion.

Terry Dodsworth

The Executive's World

EDITED BY JAMES ENSOR

Roy Levine meets an entrepreneur who believes in
Making money from medicine

THE ANNOUNCEMENT last week of a £100m. deal to build five hospitals in Iran has focused attention on private medicine which could become a great growth industry of the late 1970s as the Labour Government's plan to separate it from the National Health Service materialises.

The contract was won by a loose consortium called The United British Hospital Group whose chairman is Sir John Prideaux (chairman of National Westminster Bank). The Group has eleven corporate members forming an amalgam of expertise needed to conceive, build and then staff and run a series of hospitals. Cementation International, a subsidiary of Trafalgar House, is a member together with the Taylor Woodrow Group.

Perhaps the smallest member is Allied Investments, a public company whose chairman, Dr. Michael Sinclair, is the kind of medical entrepreneur who believes there is nothing immoral in making money out of medicine. Indeed, in his book, the public benefits from a commercially motivated private medicine sector.

Allied's involvement with the Iran contract is to help with the planning, staffing, training, commissioning and management of the new hospitals. The fees it will receive could have a powerful impact on profits. Dr. Sinclair is reluctant to give specific figures, but even if Allied gets just 1 per cent. of £100m. it will be significant against trading profits of £187,000 for the six months ended October 31, 1974.

Dr. Michael Sinclair (seated) with two Board colleagues, Mr. Michael Rosenberg (left) and Dr. John Maxwell.

Accused

"The U.K. is uniquely suited to help emerging nations develop their medical services because of the enormous wealth of experience built up through the National Health Service," says Dr. Sinclair. At least one Left-wing Minister, Mrs. Rene Short, thinks the NHS should not be used for private profits, and last week accused Allied of just that in the House of Commons.

Dr. Sinclair retorts by pointing out that the 300 or so Iranian nurses plus other medical staff who will be trained by Allied at NHS hospitals will coincidentally help NHS manpower needs. But far more important, he adds, if the U.K. is going to increase its exports of medical equipment, it needs to create buying power abroad and how better to do that than by training foreign staff in this country?

In any case, the Iran contract is only part of the Allied activities. Irrespective of the objections of Mrs. Short, it seems that private medicine is entering an era of expansion. The extent of that expansion will depend upon how Mrs. Barbara Castle, Minister for Health and Social Security, divorces private and public medicine.

Her statement in Parliament yesterday did not give details other than to say that legislation would be introduced at the next session and meanwhile the number of NHS pay beds would be reduced by 10 per cent.

According to Dr. Sinclair the NHS will tend to concentrate on emergency services because of its stretched resources—leaving the private sector open to develop the "cold surgery" side. That is, treatment for conditions that do not demand immediate attention. In servicing that need, Allied's aim is to capture the middle-income market, where medical insurance is growing fastest.

For Dr. Sinclair, making money out of Allied's four nursing homes is simply a matter of medical economics. The main point, he says, is to ensure that the 300 beds—making Allied the biggest after BUPA is an industry with 4,000 beds—are always full. His method is to renovate the premises, install better equipment and more staff and then invite prominent local people to visit. In that way the occupancy rates have risen from around 50 per cent. three years ago to between 67 and 96 per cent. Those rates compare with 52 per cent. for NHS pay beds and 81 per cent. for all NHS beds.

In competing with the NHS he and other medical entrepreneurs are careful about pricing. After the 50 per cent. rise in the cost of private beds in the NHS this year (following the £90m. pay award to nurses) most London private hospitals are about £6 a day cheaper, while out of London the rates at around £26 a day are about the same.

The entrepreneurs are careful, too, in watching the creation of new private beds. "We do not want to repeat the mistakes seen in the hotel industry a few years ago where too many beds were built," says Dr. Sinclair. Naturally planning permission is needed and the Government is unlikely to encourage a building spree.

Allied, which is now seeking to manage private hospitals for institutional investors ("much like an investment manager") rather than putting its own scarce capital into brick and mortar, has got planning permission for three hospitals and is seeking permission for another two. Institutional support appears encouraging although the hard cash has not yet begun to flow.

One reason perhaps is the reluctance to give specific indications about the returns which can be made. "If they are seen to be too high in this sensitive area it could become a political scandal," comments one interested stockbroker. All that Dr. Sinclair is prepared to say is that the returns are better than traditional forms of investment and give a positive yield even after the high rate of inflation.

Allied's other established business is the British Nursing Association, the world's biggest nursing agency with some 11,000 nurses on its books spread over 31 U.K. branches and another 1,000 nurses world-wide. Once again this is a controversial area; a little over 1 per cent. of NHS nurss are recruited from agencies, still a high enough figure for the NHS to threaten to close down some wards if their services were withdrawn. Allied does not disclose its profit from this source and claims that only about a quarter of its nursing assignments are for the NHS. "Private patients pay quicker," says Dr. Sinclair.

By skilful management, Allied has increased the return substantially. Since remuneration is controlled by legislation, other incentives are created. Weekly cash pay, cheap holidays, taxation advice and shrewd personnel policies are some of them. Even so, the net cost to the NHS of using "temp nurses" is slightly less than employing its own nurses.

Dr. Sinclair's business career started after qualifying as a psychiatrist in 1971. He sold his car, borrowed money, examined Extel cards and did a reverse takeover of Allied Investments which happened to have another nursing home among its varied assets.

Now the group also comprises health insurance (although Lloyds does the underwriting), deputising services for doctors and dentists, administrative services and—to catch the healthy, too—health foods and a health farm, Champneys, where there are excellent services to refresh your mind and body, in a process called "Preventive Health."

The group, which now employs about 500 people, is emerging from its initial growth pains where Dr. Sinclair complained that, "Every time I employ a senior manager, it takes 10-15 per cent. off earnings." There are now eight doctors in the group, two of whom do not practice at all.

In trying to get respectability, Dr. Sinclair has been careful to set up elaborate codes of conduct and standards as well as committees of eminent medical practitioners and administrators. But he cannot yet claim to have the full support of the medical profession nor, indeed, of the investment community. Allied does have some powerful backers in the form of Orion Bank, Commercial Union and Samuel Montagu, who jointly own some 35 per cent. of the equity. But each of these backers can afford to support a frontier operation like Allied whose market capitalisation is, after all, only £3.5m.

It remains to be seen what support Allied and its backers can find for the other, emerging ventures like the building of three private hospitals. Dr. Sinclair remains convinced that he can win support with his medical economics of increasing bed turnover and throughput of patients.

Scandal

It certainly seems likely that the rather average return which Allied showed in its last accounts (13.7 per cent. on capital employed) will be dramatically increased in this and the foreseeable years. But whether private medicine becomes the new growth industry remains conjecture.

In the light of the mercurial experience in the U.S. in the 1960s, when private nursing homes and hospitals bedazzled Wall Street before becoming a national scandal of making money at the expense of the sick, it is perhaps wise for the government to establish stricter rules in this country rather than allowing an embryonic industry the luxury of self-regulation.

Not that Dr. Sinclair, for one, would abuse such a luxury. As one stockbroker put it, "Demand for private medicine cannot he held down. If private hospitals are not allowed, than nursing homes, geriatric homes etc. will spring up in the private sector. The government can never legislate against all of it. At the very worst, the private medical industry could go offshore."

Sperry looks for an image

BY JAMES ENSOR

THE EMERGENCE within the European Community of a basic framework of company law, accounting standards and a fledgling capital market is persuading more and more American companies to re-examine and restructure the role and powers of their European subsidiaries. Some, such as IBM, Ford and Exxon have established regional headquarters with real, if carefully circumscribed powers to manage local manufacturing and marketing resources independently from the corporate headquarters, across the Atlantic. Many more are mounting study groups or commissioning consultants to analyse the appropriate form of organisation for an area which may, in many cases, account for as much as a third to one half of total turnover and profit.

For the conglomerate companies, which are often relatively recent amalgamations of independent and unrelated businesses, the problems are particularly severe. Typically such concerns as ITT, Litton, Textron or Sperry Rand are controlled only at the centre, often by one powerful individual such as Roy Ash or Hal Geneen. They are organised, not geographically, but by product group and the lines of communication run from European subsidiary to product headquarters and thence to the centre of the web.

Sperry Rand, for instance, is grouped into five product divisions, whose names—Sperry, Univac, New Holland, Vickers and Remington—broadly reflect the separate companies which were historically independent until merged or acquired. The product lines, from combine harvesters to guidance equipment, typewriters, computers and shavers, have very little in common and traditionally the corporation has been run as a conglomerate of separate enterprises which met up only in the balance sheet.

The European subsidiaries with manufacturing plant mainly in Britain, Germany and the Netherlands have only a tenuous and largely legal relationship with their national headquarters in the countries concerned and the major operational link is with their divisional parent in Blue Bell, Pennsylvania, Troy, Michigan or some other city.

Under the chairmanship of Mr. Paul Lyet, who took over as chief executive in 1972, Sperry has developed a more outward looking posture and a much greater corporate awareness. Divisions such as Univac and Remington, whose products in the computer and typewriter fields have some overlap and similarity have been encouraged to work more closely together. And Lyet, troubled by the low rating that Wall Street has given to Sperry shares—when compared with pure business equipment companies such as IBM and Burroughs—has tried hard to project an overall image of a computer and electronics company that happens to have a few other interests.

In Europe, where Sperry stock is now quoted on a dozen Bourses, the corporation is, however, little known. Few people outside the farming community have even heard of New Holland and Vickers tends to be confused with the British company of the same name. Only Remington, as a consumer products company, and Univac because of the glamour exposure of some of its products in the European airlines and railways are at all well known.

The corporation is, however, heavily committed to Europe, where some of its constituent companies have been manufacturers since the early decades of the century. Excluding U.S. military and space contracts, which Sperry tends to treat separately, international business—mostly in Europe and Japan—accounted for over half of turnover in 1974, for the first time.

The rapid growth of Univac's computer operations in Europe has helped to push Sperry's European revenue up much more rapidly than its domestic business. Some of the European companies, notably the German and the British (which has £82m. annual turnover) have become quite large concerns in their own right. They are expected to be largely self-supporting, financially, drawing funds and profit from their local operations rather than remitting profit or drawing on U.S. funds.

Mr. J. Paul Lyet, chairman of Sperry

Over the past five years, for instance, Sperry Limited—the British company, which is largely an accounting entity—has only once paid a dividend to the parent. Its imports—mainly Univac computers—have been balanced by exports of Vickers and Remington products.

Sperry U.K. expects a good year in 1975, with revenue likely to grow by 25 per cent. to £100m., outpacing the growth of the corporation as a whole, which in recent years has been about 16 per cent. In Britain, business equipment accounts for only 30 per cent. of total turnover, against 43 per cent. for the whole corporation, but this is largely because Univac has no important British manufacturing base and its figures therefore only include imports, while the other divisions can add export revenues to domestic sales.

New Holland, also primarily an importer, has also had a very successful year, partly because of the industrial troubles which have embarrassed Massey-Ferguson, the market leader in the British combine harvester business. Remington, which has been revamping its electric typewriter line and drawing on a long-forgotten technical exchange agreement with IBM, has also shown a much better growth rate.

Nevertheless, Sperry is now beginning to worry about the problems of presenting an integrated external character to the British and European communities. Clearly Univac, as an importer of computer equipment tends to be at a disadvantage in competitive tendering for Government and nationalised industry contracts. This may have been a factor in the loss of a coveted order from British Airways to the rival IBM, which could point to the fact that much of its processor is manufactured in Havant. The fact that Vickers and Sperry are major exporters from Britain, of course, is not taken into the balance.

There seems to have been little definite progress, so far, on an integrated Sperry organisation for Europe, beyond the creation of public relations, advertising, legal and accounting operations on a group basis. But there is a growing awareness among the various Sperry companies in Europe that the links between London and Philadelphia or Amsterdam and Phoenix are too long and too complicated to serve Sperry well in the Europe of Government intervention, anti-trust and uniform company law which is likely to emerge in the years ahead.

The 1975 Management Game

BY MICHAEL DIXON

THE COMPUTER starts work to-day to sort out the opening moves in the quarter finals of the 1975 national management championship. Of the 880 "paper" consumer durable companies who entered the contest in January, only 64 are now left in the championship proper and when the quarter-final round ends on June 5 the survivors will have been whittled down to 16.

This year, for the first time, a second chance has been offered to teams which were knocked out of the main National Management Game in the first round, in the form of a "plate" competition. The 120 "companies" which entered this have now been reduced to 30, of whom only nine will be left in a month's time.

The finals of both competitions will be played "live" in London in July, with the team winning the plate receiving £200 and the winners of the major contest a £500 cheque, the Financial Times silver rose-bowl and some subsidiary prizes.

In neither competition, however, is the path to the semi-final going to be an easy one. A deteriorating economy has been built into the computer programme for the coming round in both plate and championship, and the players' pricing and investment decisions will also be conditioned by a shortage of loan finance even at high rates of interest.

One compensation is that Mr. Jack Layzell—who runs the games on behalf of the sponsors, the Financial Times, International Computers and the Institute of Chartered Accountants in England and Wales—has not yet found a way to inflict inflation on the competitors. But signs from Mr. Layzell's headquarters suggest that the teams would be unwise to count on the whole-hearted support of the trades unions over the next month.

The Survivors

	Survival rate %
1.—Newspapers	22.2
2.—Education	8.9
3.—Insurance	8.6
4.—Accountants	7.8
4.—Private	7.8
6.—Commerce	7.5
7.—Banks	6.8
8.—State	6.7
9.—Government	2.1

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

A limited partnership

We propose taking a limited partner into our present partnership. As his share of the profits are likely to exceed £1,900 per annum, will he be liable for the new Social Security Tax in April '75? He will stamp his card as "self employed," we assume, or could he stamp the card as "non employed"? After all, the Limited Partnership Act requires that he takes no active management of the business. Has the Limited Partnership Act been considered when drafting the new Social Security Act?

We certainly cannot tell whether or not the Limited Partnership Act, 1907 was considered by the draftsman of the Social Security Act 1973. However, it seems clear that a limited partner would be self-employed. There does not appear to be any reason why the Social Security Tax should not be payable by the limited partner if his share of profits brings him into the relevant income bracket.

Goods pledged for a loan

Can a lender who has lost, used or sold security he took in the form of readily available goods refuse to accept repayments, or can he be forced to replace the security to the original amount, not value, when the borrower wishes to repay the loan?

The lender must accept repayment of the loan or forego the right to retain the security if he will not accept repayment. He would be liable in damages as a bailee of the goods pledged, if he cannot return them or returns them in a damaged condition.

Agricultural tenancy

I want to let part of my farm for the next 5 or 6 years, but wish to ensure the tenant does not obtain security of tenure. Can I do this by a series of agreements for one week less than a year?

The suggestion which you make will not (except in the case of grazing or pasture land) prevent the tenant obtaining the security afforded by the Agricultural Holdings Act, 1947. We suggest that you consult a solicitor if you wish to enter into an agreement of the kind which you indicate.

*

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WEDNESDAY, MAY 7, 1975

Financing the deficits

THE LATEST figures from the clearing banks, for the month to mid-April, show little change in demand for credit from the private sector. Personal borrowing rose a little, after dropping for several months in succession, and this may well have been connected with buying in advance of the Budget. Company borrowing, however, was not much changed, and the overall drop in advances of £107m. followed the usual seasonal pattern. The fact that the banks are no longer short of funds to lend, and indeed are now getting more current account money, is reflected not only in the reductions of base rate that have taken place but in a substantial net repayment of certificates of deposit.

If demand for bank credit from the private sector is at present sluggish, however, demand from the public sector will be swollen both by the increase in the borrowing requirement and the uneasy state of the gilt-edged market. The issue of Treasury bills will tend to rise, producing a short-term and a longer-term effect. In the short run, the increase in the supply of bills on offer may well have the effect of pushing up short-term interest rates. Minimum lending rate, which rose last week, may rise again this Friday because of an increase in the size of the bill tender, and there has already been a warning that the next move in clearing bank base rates is more likely to be up than down. In the longer-term, this trend will increase the lending base of the clearing banks and may eventually make it necessary to neutralise some of this liquidity through a call for additional special deposits.

U.S. rates

The hardening of short-term interest rates likely to be brought about by the borrowing requirement of the public sector will simultaneously help to prop up the exchange value of the pound — which has recently been weakening. Overseas confidence in sterling, on which the maintenance of large foreign deposits in London ultimately depends, has undoubtedly been affected by the continuing flow of wage claims far in excess of the TUC guidelines, quite apart from the nervousness which was always expected to precede the referendum on continued membership of the EEC. The relative attractions of London as a temporary home for short-term capital have also been reduced by a feeling that interest rates in the U.S. are unlikely to continue dropping much further.

The precise moment at which U.S. rates turn definitely upwards is hard to predict. Last week's undertaking by the chairman of the Federal Reserve Board to increase the growth of the (narrowly-defined) money supply to a rate of 5 to 7½ per cent. in the current financial year may seem to have postponed the time, and this week's relatively sharp fall in the U.S. Treasury bill rate appears to point in the same direction. But the weekly movement of the bill rate is influenced by special factors and the Federal Reserve Board is keenly aware of the danger that, in helping to push the U.S. economy out of its current recession, it may be laying the ground for another outbreak of inflation once the upswing really gets under way.

Public borrowing

The rate of increase in the money supply envisaged by Dr. Burns at present is, in any case, fast only in relation to the very slow rates of increase recorded in recent quarters. There as here, the public sector borrowing requirement is exceedingly high and is likely, in the absence of a deliberate easy money policy which no responsible central bank is likely to support in present circumstances, to push interest rates up to a more realistic level. There as here, the hope must be that as business activity recovers and tax revenue rises, the Administration will be able to reduce its borrowing needs and make room for industrial borrowers.

But the dollar is itself apt to be strongly influenced by changes in the relative level of interest rates, and sterling — thanks to our payments deficit, our heavy dependence on short-term foreign capital, and our relatively fast inflation rate —is more susceptible still. From the point of view of selling gilt-edged stock to private investors instead of relying on bank finance, a sudden drop in gilt prices followed by a gradual recovery may be preferable to a slow weakening of the market. But the moment has to be well judged, and policy must take account of next month's referendum.

Greeks and Turks are still talking

THE Vienna talks on Cyprus seem to have made some slight progress, which in the context of the Cyprus question is saying a great deal. Mr. Clerides and Mr. Denktash, the leaders of the Greek and Turkish communities respectively, have agreed to meet again on June 5. There will be talks on the powers and functions of the central government before then, and there is tentative agreement on the reopening of Nicosia airport which has been closed since the damage caused by the Turkish invasion last summer. The airport is of considerable strategic importance, since if it is in working order it is very much easier for an outside power to launch an airborne invasion. That is one of the reasons why it has been kept closed. Its reopening is therefore a delicate matter which should be done under UN auspices.

NATO summit

All this is a small step forward in a situation where one has grown accustomed to reverses. There is also some movement on the wider front. Archbishop Makarios has been in Washington talking to Dr. Kissinger. The Greek and Turkish Foreign Ministers may meet shortly to discuss the terms under which their conflicting Aegean oil claims will be referred to the International Court of Justice. Both the Greek and Turkish Prime Ministers will probably attend the NATO summit meeting which is due to take place in Brussels at the end of this month.

Thus the framework for negotiations now certainly exists. Yet whether or not there will be progress towards a constitutional settlement, and the improvement in Greco-Turkish relations that needs to go with it, continues to depend on a more flexible approach by both sides. In the Turkish case it is very simple. Prior to the Turkish invasion, the Turkish Cypriots on the island did badly. Since the invasion, however, Turkish forces have occupied nearly 40 per cent. of the territory—against a Turkish Cypriot share of the population of only 18 per cent. It does not seem likely that there will be much progress until the Turks agree to cede some of this land, and there is a number of gestures they could make—such as allowing the Greek Cypriots to return to Famagusta.

Divided

On the Greek and Greek Cypriot side the situation is more complicated. Mr. Karamanlis, the Greek Prime Minister, still feels the humiliation of the Turkish invasion, even though it did not take place under his Government and was indeed the direct result of the folly of the Greek colonels who preceded him. He cannot easily be seen to put pressure on the Greek Cypriots to accept the consequences without risking his popularity at home. Instead he has said he will agree to any settlement acceptable to the Greek Cypriots themselves. The trouble here is that the Greek Cypriot leadership is divided. Mr. Clerides, who was Acting President for several months after the invasion, has come to accept the inevitability of a bizonal Cyprus within a very loose federation. Archbishop Makarios has not. It appears that the more realistic approach of Mr. Clerides is gaining ground. The best way to make sure, however, would be for the Turks to give some encouragement by making concessions of their own.

Restoring financial discipline to local government spending

BY COLIN JONES

IT IS NOW clear beyond dispute that the Government has failed in its attempt to persuade local authorities to curb their spending and that, as efforts to obtain their voluntary co-operation have failed, rather sterner measures will be necessary if the constraints of the present economic situation are to be brought home to local councils.

This was first suspected when the full pattern of this year's rate calls emerged a few weeks ago. When the details of this year's rate support grant were being settled last November the Government asked—and the local authority associations agreed—that increased local spending should be limited to "inescapable commitments." Ministers recognised that growth could not be halted overnight but they did wish to see the real increase in local revenue spending cut back from last year's 10 per cent. to about 4½ per cent. this year as part of a two- to three-year process of deceleration.

It was on this basis that Mr. Anthony Crosland, the Secretary of State for the Environment, arrived at his estimate that domestic rate payments this year would go up by an average of about 25 per cent.

In the event, the average increase turned out to be 35 per cent., not 25 per cent. There was always a margin of uncertainty in Mr. Crosland's figure. Local treasurers had to make their own assumptions about the rate of inflation and many councils, after the ravages of last year, needed to replenish their working balances. But the difference between estimate and outturn was too big to be explained away by these factors.

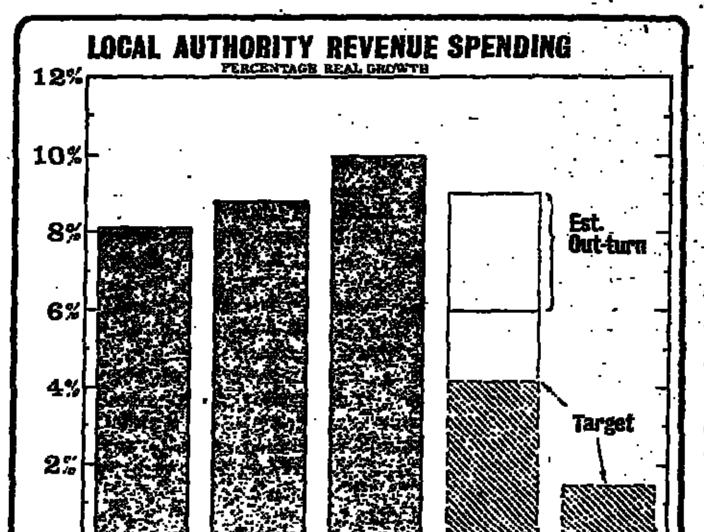
Detailed analysis

Suspicion has now been turned into certainty by detailed analysis of the returns local authorities have sent in about their 1975-76 budgets. Again there is some dispute about what the figures precisely mean. Local authority associations claim that not all local treasurers have interpreted Whitehall's questionnaire in the way Whitehall thinks. But the broad conclusion is as clear as it is depressing. Local government's revenue spending will increase this year by far more than its representatives agreed with Ministers last November. Even the local authority associations accept that the increase will be nearer 6-8 per cent. than the target 4½ per cent. Whitehall suspects that the true figure may be nearer 9 per cent.: in other words, just as big an increase as the average for the last three years.

The shock waves of this revelation are still reverberating through Whitehall. Mr. Crosland's hopes of maintaining a gentlemanly dialogue with local government, through his new standing committee of Ministers, councillors and officials, appear to be doomed even before the committee has had its first meeting. If the real growth in local revenue spendng next year is to be limited to 1½ per cent. or whatever lesser figure emerges from the next round of public expenditure cuts—which cannot now be far away—then Ministers' only chance of securing local government's compliance would seem to lie in some form of direct supervision over local budget-making.

Corlane McCarthy

Mr. Anthony Crosland: his hopes of maintaining a gentlemanly dialogue with local government appear to be doomed.



Overwhelming case

The case for more effective central control over local government is now overwhelming, and it does not depend solely upon what happens to be expedient at the present time. In the first place, the old disciplinary system of checks and balances has gone. At one time, the idea was that the cost of local services should be a charge on the local community and that those who contributed to the cost, through the local rate, should have a say, through the local vote, in overseeing how the money was spent. Nowadays, the greater part of local spending is financed out of central taxation by means of Government grants; household ratepayers meet barely a tenth of the total cost of local government; and only a proportion of local voters pay rates.

At one time it was still possible, even though the discipline of the local vote had weakened, for the Government to adopt a relatively relaxed attitude towards its own controls over local spending. But this has become increasingly less possible as local spending has expanded. Nowadays, Government grants finance two-thirds of local revenue spending, and Government loans or Government-approved loans finance two-thirds of local capital spending. Over 40 per cent. of total Governmental expenditure and over 18 per cent. of the GNP is absorbed by local government. The conflict with central responsibility for demand management has increased, is likely to go on increasing, and the conflict can eventually have only one outcome.

But powers to oversee local budgets would not alone be sufficient. The techniques which the Government already uses to influence local spending also need to be re-examined. For it has become only too clear that the rate support grant, the main instrument for influencing local revenue spending, has a reverse effect to that intended. Rather than inducing restraint, the grant mechanism — as it is currently operated — serves to underwrite excess growth and reduce local councils' incentive to resist inflation. There would be little point in Ministers supervising local budget-making if an unchanged grant mechanism were to continue to encourage local authorities to over-spend. Local councillors may be profligate, their methods may be inefficient and wasteful, and they may be blind to the exigencies of the present economic situation. But, before blame is apportioned, some regard must be paid to the financial disciplines — or rather the lack thereof — in the system they are expected to operate.

One obvious defect of the present grant system arises from the way in which the settlement of each year's grant automatically wipes out all the restraints built into previous settlements. The total amount of grant to be paid to local authorities in the coming financial year is worked out on the basis of an expenditure forecast made during the autumn of the current year. But this forecast is related not to what was supposed to have been spent during the current year but to the latest estimate of the likely outturn. This updating wipes out the effect of all earlier growth limitations. As a result, local authorities can overshoot the latest growth target knowing that, while their rates will have to go up in the first year, the rate support grant will be increased in the following years when actual spending is incorporated into the grant calculation.

Sometimes the difference can be considerable. The first forward estimate of likely revenue spending in 1974-75 was a real increase of about 6 per cent. This was reduced after the May 1973 public expenditure cuts to about 4½ per cent. and then, after the December 1973 cuts, to 2½ per cent. In the event local authorities spent about 10 per cent. more and it was this increase, not 2½ per cent. or even 4½ per cent., which was made the basis of this year's permissible increase.

True, there was some talk during the 1975-76 rate support grant negotiations of basing the allowance for "inescapable commitments" upon the 1974-1975 levels of expenditure as prescribed in the 1974-75 grant settlement. But this was only one of four "growth options" presented to the local authority representatives and it was never pushed very hard.

It is also true that governmental attitudes may be somewhat harder during the 1976-77 grant negotiations this summer and autumn. There have already been Ministerial warnings about next year's 1½ per cent. increase being related to the 1975-76 expenditure forecast instead of the 1975-76 estimated outturn. But, because of past experience, many councils have yet to be convinced of the credibility of this threat. Even on the local authority associations' lower estimate of a 6 per cent. real growth in local revenue spending this year, a 1½ per cent. permissible growth next year on top of this year's 4½ per cent. target will mean an actual reducton in 1976-77. To achieve this, plans would have to be laid this autumn.

The second major defect of the present grant system arises from the practice of expressing both the expenditure forecast for grant purposes and the calculation of the grant itself in constant price terms. As a result, the fact that inflation bears more heavily upon local government is ignored and so, therefore, is the diversion of additional resources to local government over and above those arising from real growth. About two-thirds of local government expenditure is absorbed by wage costs and in the last year or two total costs have been rising about twice as fast as consumer prices generally.

This "relative price effect" is allowed for in the public expenditure survey but not in the rate support grant settlement. The grant payments are adjusted retroactively in the light of actual cost trends and local councils complain about having to finance inflation in the meantime. But they gain in the end because the system underwrites inflation in local government costs.

The importance of this increases the larger proportion of local spending which is met by Government grants. Yet rapid inflation and excessive real growth serve in turn to push up the proportion which is covered by grants. This is because s[…] cessive governments have [en]deavoured to hold total dome[stic] rate payments to a more or [less] constant percentage (about [...] per cent.) of total consumer [in]comes. If local real spend[ing] rises faster than real consu[mer] incomes (and it has been g[…]ing about twice or three [times] as fast) and if local autho[rity] costs rise faster than consu[mer] prices generally (as, again, t[hey] have) then the only way which the Government can h[old] steady the proportion of [con]sumer incomes which is [ab]sorbed by the local rates is stepping up the proportion [of] local spending which it fina[nces] through the rate support gr[ant]. (This year the proportion [was] raised from 60½ per cent [to] 66½ per cent.) In other wo[rds] the greater the rate of i[nfla]tion, the more that local aut[hori]ties will be insulated from [its] effects and the less, theref[ore] they will need to resist it.

Spending the windfall

These defects are [com]pounded by other factors. [...] the distribution of grant [be]tween local authorities [is] changed, as happened on a [wide]spread scale last year, the [coun]cils that gain are likely to [...] their windfall rather than [...] the whole of it to reduce [...] rate call, yet there is unl[ikely] to be a compensating redu[ction] in spending by those rece[iving] less grant. An increasing [pro]portion of the total grant co[mes] in the form of househol[d] relief and resource defici[ency] payments, neither of which [is] growth-related. As a result, councils that are benefiting f[rom] this trend are being financ[ially] supported by the Governmen[t in ig]noring the Government's growth ceilings. Finally, w[hile] the system of loan sanctio[ns is] a reasonably effective in[stru]ment of central control [over] local capital spending, the[re is] no specific link between the [dis]tribution of loan sanction [allo]cations and the distributio[n of] grants for revenue spen[ding]. Councils therefore not [...] rarely refuse a loan san[ction] allocation: the system als[o en]courages them to bid for [...] approval without full re[gard] for the revenue conseque[nces].

Not all these defects wi[ll be] easily removed. For exampl[e,] to stiffen local authorities r[esist]ance to inflation it would [be] desirable to fix the total g[rant] in current price terms, [but] this would require the Go[vern]ment to make a realistic g[uess] about inflation, which no [Min]ister ever wishes to do publ[icly]. But one way or anothe[r a] measure of financial discip[line] and an awareness of econ[omic] realities will have to be rest[ored] to local government. And [it] will have to be restored so[oner] rather than later.

MEN AND MATTERS

Steel union's change of style

Just as the Iron and Steel Trades Confederation, the biggest of the steel trade unions, faces the problems of the industry's most serious employment crisis, its own somewhat unusual character is likely to undergo some changes over the next few months.

There is no doubt that Bill Sirs, who is taking over from Sir David (Dai before the knighthood) Davies as general secretary, probably before the end of the month, is very different from his predecessor. Davies, whose roots are in Ebbw Vale, was assistant general secretary from 1953 to 1966 before getting the top job. He has run a union notable for its record of co-operation with the British Steel Corporation, at the same time having an authoritarian reputation among its own members.

Accordingly, it seems that shop steward power has not developed greatly. Sirs stresses that the shop floor has "complete freedom within the rules," though "we tend to lead from the top." Moves towards more public policy-making could include changes in the odd way that national conferences, so much an annual feature of most unions' business, have been a rarity for the ISTC.

Sirs, now 55, was a steelworker on Teesside for 26 years before becoming a full-time ISTC official in the North East. He moved to London in 1973 when he and Welshman Roy Evans were appointed joint assistant general secretaries after it was known Davies would retire.

Sirs has been pitched squarely into the arguments over BSC's plans for 22,000 fewer jobs, duly rejected at a meeting of the TUC steel committee. This has been chaired by Davies, but his place this week was taken by Sirs, who afterwards promised alternative plans to avoid mass redundancies. Unsurprisingly, his general views are left of Davies though "I'm down to earth. I wouldn't call myself a militant." The battles to come hold no terrors: "I was brought up the hard way .. I've never had it easy."

Offshore R & D

The creation of an Offshore Energy Technology Board under the Department of Energy is something you might think had happened long ago. There is, after all, an Off-shore Supplies Office, and even if there are doubts about its efficacy in speeding the nation's saving grace ashore, at least it would be logical for it to have some R and D back-up responsible to the same Department.

But it was only yesterday that the Technology Board was set up. Previously the offshore research and development came under the Ship and Marine Technology Requirements Board, which belongs to the Department of Industry.

The split possibly should have been made around the time we first had an energy overlord in Lord Carrington. But whatever he had in mind was not implemented before the Tories lost office. When it came to the tripartite division of the old DTI last spring, the Supplies Office had to go to energy, but the R and D side was not split off at the same time. It stayed with the SMTRB and with Industry. It is said that no great love is lost between the two departments and that yesterday's creation of a more logical structure, after 14 months, required the most exalted intervention.

BL's tough spot

There is, the motor industry seems agreed, one job more daunting than the chief executive's at British Leyland—reorganising and running the unified car division as envisaged in the Ryder report. Derek Whittaker, like John Barber, the outgoing managing director, did a stint in Ford's finance department, and arrived at BL after AEI (again like Barber) and post-takeover, GEC.

It was at GEC that Whittaker, now 45, got his first experience of general management, moving on from group controller in the cables division to become managing director of London Electric Wire, a company with a turnover of about £40m. and workforce of 5,000. This is small beer beside the new car division (120,000 employees, £1.2bn. turnover), but the exposure to Sir Arnold Weinstock's tight cash management on top of Ford's disciplined financial systems, produced a blend which made its impression at Leyland, which he joined three years ago.

"Which comes first—the egg or the ocul?"

His stock has risen after the last 18 months running the Cowley-based volume business, in which the new 18-22 Series has been produced without major hitches, and industrial disputes reduced—in spite of the tuners' strike and the dispute led by "The Mole" Alan Thornett.

David Andrews, also 45, also ex-Ford and now to run BL international, is a less outgoing character than Whittaker. His appointment is curious in the sense that he has no direct experience of sales except for a spell as assistant controller in Ford of Europe. On the other hand, there will presumably be a considerable reorganisation at the international division, and Andrews, who had a spell in general management under the now-departed George Turnbull, has shown a deft hand in pushing through changes at Longbridge.

David Abell, only 32, is to run the special products division, which looks like a peaceful diversion after the job of liquidating the Australian manufacturing operation preceded by two years at the troubled First National Finance Corporation. The Ryder team was "neutral" on the question of disposing of the special products division; Abell's job therefore will be to take a more positive line. Pre-FNFC, Abell, had spells at Ford and AEI.

For the rest of us, due to contribute £1.4bn. to BL via the Inland Revenue over the next eight years, it may be a comfort that no less than six of the eight executive directors come from accounting backgrounds.

Unrelated

Letters to members of the Sussex Branch of the Institute of Marketing come signed by Mr. Hinder and Mr. Muddell.

Observer

مكتبة الأصل

Taking proposals for a £150m. chemical plant as an example, **Ray Dafter** examines the factors currently governing company spending

The chemistry of industrial investment

BEHIND-the-scenes talks the chemical industry, Government has been stress- the importance of sticking nvestment plans. In par- ar, it has emphasised the for a decision on long- ding proposals for a new lene complex, a project h, at a cost of anything een £150m. and £200m., d help to broaden the foun- on for the petrochemical stry.

hind this encouragement two specific, but linked, rs. First, it is recognised one way to add value to ain's North Sea oil and gas o manufacture petrochemi- Second, the sanctioning of ethylene plant should help emove some of the doubts t chemical feedstock sup- s possibly hampering invest- t decisions in plastics and r industries.

Plunge

Several groups are evaluating an ethylene project. ong them are ICI, BP micals, Shell Chemicals, Chemicals and the Contin- l Oil/BSC Chemicals/ ional Coal Board consortium. ll goes well, one of these take the plunge and ounce its commitment within next 12 months. It may be two or more groups may bine to build a plant ether, as ICI and BP are g at the moment on Tees-

or, as the plants—and their —become larger, so the ree of risks increases. The wing number of problems factors to be evaluated by se companies which want to ld an ethylene plant, indeed, provides a pointer to the constraints hampering other major investment decisions at present.

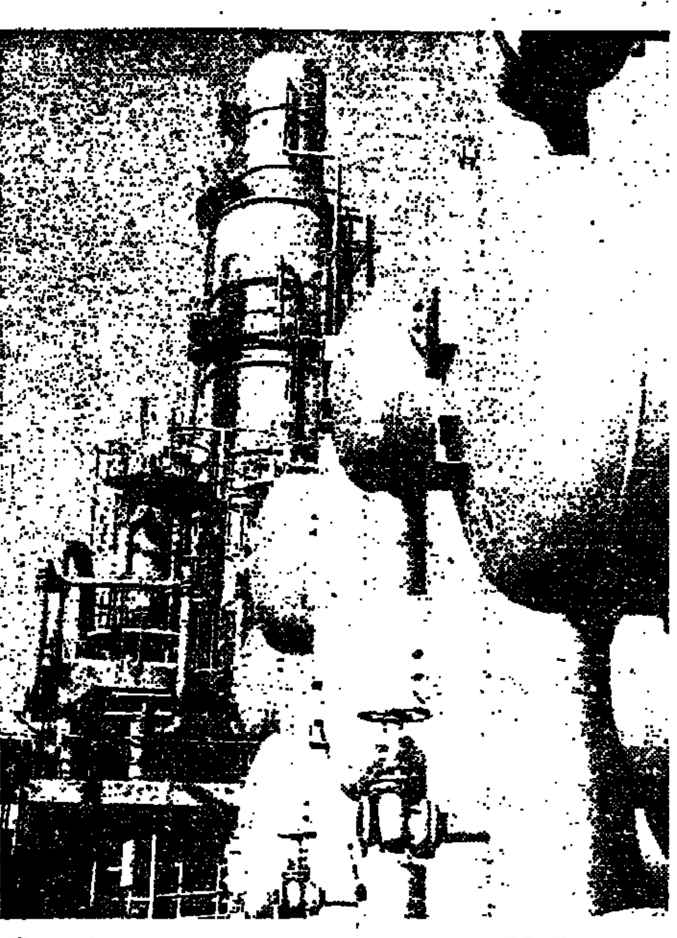
Undoubtedly, the biggest worry is inflation. For example, the cost of an ethylene plant is now four or five times what it would have been 10 years ago. It is this, above all, that is causing companies to review their investment programmes every month or so. Thus, the chemical industry had plans to spend £2.3bn. in the U.K. over the next three years, more than double recent investment performance, plans which were described by Mr. Bryan Rigby, chairman of the Chemical Industries Association's economics committee, as a sign of confidence and determination in the face of short-term problems.

But hardly had the words left his lips than companies disclosed that they were going slow with some of their spending plans in the light of the twin evils of inflation and recession. In line with general industry thinking ICI, for instance, has been working on the assumption that the inflation rate will be 25 per cent. this year, 18 per cent. in 1976, 15 per cent. in 1977 and 12 per cent. in 1978, although it concedes that at least this year's estimate is likely to be too conservative.

As it can take 18 months or so to evaluate a project and answer the pre-sanction questions, and then two or three years physically to construct the complex, there can be a wide margin of error on costings, particularly in a period of high inflation. In recent years virtually all chemical sanctioning decisions have underestimated inflation. Similarly, there has been a tendency to fix the required rate of return too low. Traditionally, the U.K. industry has looked for a 14 to 15 per cent. return on capital employed. Now it must be thinking in terms of a 30 to 40 per cent. range.

A company's chance of obtaining such a return initially is enhanced if it can time the commissioning of its plant to coincide with the cyclical rise in chemical demand. The recent trading figures of U.K. chemical companies reflect the latest period of buoyant demand in 1973 and the first half of 1974. To benefit from the next upswing, companies ought to be investing now. But there are problems which accompany the attractions of counter-cyclical spending, the main one being the availability or otherwise of cash. For, when trading conditions are depressed and accompanied by rampant inflation, a higher proportion of a company's retained earnings is needed for working capital. Consequently, more borrowings are required to finance investment.

It takes money and courage to invest on a large scale, particularly in an economic recession. The degree of courage needed to build an ethylene plant is, however, not all that great, relatively, bearing in mind the established growth patterns. Demand for ethylene in Europe has been rising at about 17 per cent. a year, although there has been some slowing down lately and a rate of nearer 8 to 11 per cent. is predicted for the next few years.



The main reactor of the 340,000-tonnes-a-year BP Chemicals ethylene plant at Baglan Bay: BP is one of several groups currently evaluating plans for a new ethylene complex.

Provided Britain remains in the Common Market—and this, in itself, is a fundamental uncertainty blurring investment decisions at the moment—it can expect to be one of the fastest growing ethylene producers in Europe, thanks to its indigenous raw materal supplies. It has been estimated, for example, that U.K. production capacity could grow from the existing 1.5m. tonnes a year to 4m. tonnes annually by 1985—the equivalent of five major plants in the next decade.

But it is only as an EEC member that Britain can hope to share in the development of "world-scale" ethylene plants built to serve Europe as a whole. As an outsider, its ethylene capacity would largely be restricted to its domestic growth.

As it is rare for merchanting companies to build their own plants it is fairly safe to assume that all the companies currently considering building in the U.K. will want a substantial proportion of the proposed plant's products for their own needs: most likely for plastics, synthetic rubber or fibre production.

The size of their requirement is likely to influence whether they go it alone, and build the ethylene plant single handed, or whether they combine with others in a joint venture. Here again there are several permutations for those taking the investment decision. Two or more companies can agree to share the cost of the development, each taking a corresponding proportion of the off-take, or one can build it supported by a commitment from the other to buy a substantial proportion of the plant's output.

Whatever the outcome, however, any company is likely to resist a proposal for a joint management team. This can lead to unbearable pressures.

Another factor which has to be resolved, and again a possible source of friction in any joint venture, is the type and mix of products required from the complex. Depending on the feedstock it is possible, for instance, to obtain as much propylene as ethylene from a cracking unit. On the other hand, the propylene content might virtually be eliminated.

To a large extent, these questions depend on the type of feedstock, another vital investment decision. Traditionally, most U.K. and European ethylene plants have been fed by oil-based naphtha, although it is possible to use gas oil or, much less likely, refinery gas liquids.

The security of feedstock is clearly of paramount importance. Here all the U.K. groups studying ethylene plans must take comfort from their own projected supplies of North Sea oil. But once again political involvement is blurring investment problems.

The Chemicals Industries Association and the National Economic Development Office have stressed that chemical manufacturers should be assured access to North Sea oil and gas feedstocks at a price competitive with the rest of Europe. (The current rate for naphtha is about $120 a ton.) The British Plastics Federation has gone further. Many of its members are involved not only in producing ethylene but also in processing derivatives of the chemical. As a result the BPF is urging the Government to encourage British industry by removing the proposed Petroleum Revenue Tax content in the oil and naphtha prices.

Siting

The siting of a large plant like an ethylene complex is subjected to less controversial pressures. For safety, environmental and sheer aesthetic reasons it makes sense to build away from homes and, preferably, on a coastal or estuarial site.

It is more than likely that the builder of the next plant will site it in or close to an already established petrochemical complex so that production lines may be integrated, and, if possible, maintenance and back-up facilities shared. Direct staffing is not an undue problem with an ethylene plant in view of the surprisingly low numbers involved—10 to 15 operating staff per shift, two or three plant supervisors and two or three management staff, for instance.

Many of Britain's chemical complexes have been built in development areas and, in view of the financial incentives, it would be surprising to see this policy changed. Grants of up to 22 per cent. and a 100 per cent. first year tax allowance on capital expenditure on plant, together with generous depreciation terms, are significant factors in a £200m. investment decision.

Whether companies will be allowed to continue adding to existing chemical complexes is still a matter of conjecture in the light of the Flixborough chemical works disaster last year. New rules governing the building of large new plants are being drawn up. It may be that new plants will have to be licensed on the lines of nuclear power units.

Here again companies are feeding unknown quantities into the investment equation. Sooner or later one of the groups will have to pluck up courage and decide. With ethylene likely to remain in a fairly tight supply and demand balance for several years to come, the industry cannot afford to wait too long before committing itself. On the other hand, it cannot afford to see too many companies proceeding with identical projects. That is what happened in the late 1960s: it created a harmful overcapacity situation from which companies have only just recovered.

Assurances

The current industry-Government discussions should preclude too much being done too soon. Some might regard that as a form of planning agreement, in which case the companies may feel entitled to ask for some State assurances to help their investment decisions. These could include pledges that they will be allowed a reasonable rate of return in the future; that North sea oil and gas will be channelled into feedstock at competitive prices; and that inflation will be brought under control. It is a lot to ask, but at £150m. to £200m. a time, the industry is playing with big stakes.

Letters to the Editor

Invisibles prospect

om Lord De L'Isle

Sir, I read with interest and ofit Mr. Samuel Brittan's ticle "The half-truth of 'deindustrialisation'" in your April issue.

I was especially delighted to ad his emphasis on the contri- ution made to our economy by rvices and overseas investment come and his apparent regret at "invisibles are still presented et in the summary balance of ayments statistics, while hysical exports are presented ross'." I seem to remember r. Brittan resisting a similar ea which I made in a letter your newspaper in December 69. He then wrote "the stinction between invisibles d visibles has pretty scanty onomic significance."

In the present context, Mr. rittan's powerful, if belated, pport is indeed important. We e running a grave risk that icial misrepresentation about e relationship between physical ide and "invisibles" may rther distort our already feebled economy.

A Government-directed plan to ce investment upon industry order to "re-industrialise" our onomy, probably combined th import controls and the ection of the people's savings o selected industries, will rease the hunger of our raw terial deficient economy for ports, damage our export ospects and injure our ability increase our invisible earn- s through ever more stringent ntrols on overseas investment. nvisible earnings have for two nturies allowed our people to port for personal consumption re than they could ever have ned through international de in goods. Any near prospect arresting a decline in our ndard of living must rest on an increase in the pro- rtion of our exports tributable to "invisibles."

No hope for us in the panese-style industrial expan- n. We lack the will to work, ustrial discipline, the impetus save and the encouragement of fits.

n our situation, "re-indus- alisation" on dirigiste lines st be recognised as a design hold down living standards, not to lower them, within an reasingly centralised and con- lled economy, for political is.

De L'Isle.

shurst Place, Tonbridge, Kent.

nuel Brittan writes: I still ieve that the distinction ween physical trade and visibles" has pretty scant nomic significance. The plans forced industrial investment which Lord De L'Isle objects based on an overemphasis on distinction and the favour- of one side of it.

Message from Newmarket

m Mr. M. Payton.

r.—Mr. Thompson-Noel (May on the incidents last week at market says of the absence agreement between owners trainers on a minimum kly training fee, "this refusal face up to reality is one of ing's worst problems."

eneral recession, inflation, ever higher taxation has atly reduced the amount of ney available out of net ome for owners to put into ing. Trainers, who are no erent from any other busi- smen in trying to obtain as ch for their services as the rket will stand, have faced t reality, and in many cases, ticularly among those with aller stables, to retain their customers, they have kept their fees at a level which not only pays them little or nothing for their own work, but also prevents them from increasing sufficiently the earnings of their employees.

Regrettable as that may be, it can hardly be described as a refusal to face up to reality; nor can the absence of a minimum weekly training fee be "one of racing's worst problems." It is one manifestation of the only problem, which is, simply, lack of money, money which would enable owners to pay higher training fees, and trainers higher salaries to their employees.

Money is needed as an incentive to owners to keep their horses in training, that is, primarily, increased prize money. A source for that money is not hard to find, the enormous betting revenues, of which, as Mr. Thompson-Noel tells us, the state takes £8 for every £1 put into the sport. To provide the money to keep owners in racing, this imbalance has to be corrected, and the lesson to be learnt from last week's incidents is that those concerned in the disposal of betting revenues, the Government, the Treasury and the Levy Board, do not have much time.

The reality they have to face, and have the power to do something about, unlike the trainers and owners criticised by Mr. Thompson-Noel, is that disruption of training, race meetings and TV coverage is likely to continue, and probably increase, until there is money available to pay higher wages to those employed in the racing industry.

It is easy to see this disruption causing difficulties for trainers, and racecourse executives, and less TV coverage and sponsorship, leading to disenchantment and uninterest of the public, and a reduction in betting and loss of betting revenues.

This is the real message from Newmarket, the Levy Board and its masters must act now in putting more money into racing, if only to preserve its source of income. To depict what happened as a form of class warfare between "the Establishment" and "the workers," capable of resolution if "the Establishment" put its house in order and came into the 20th century, as Mr. Thompson-Noel does, quite apart from being inaccurate and unfair to racing, obscures that message.

Michael Payton.

2a, Launceston Place, W.8.

Next year's rates rise

From Mr. R. Brooke.

Sir,—Your readers will have noted that this year's wage claims for local government staff and manual workers are now under negotiation. Observing the reported 30 per cent. plus increase just awarded to Whitehall civil servants, negotiators for local government workers will not be much impressed by the Chancellor's recent homilies. Nor, one suspects, will teachers. This being so, and with real cuts in central Government support for local authorities still of the "next year, sometime, never" variety, ratepayers can already look forward to another rate increase next year on the scale of the one they have just experienced.

Given the size of the public sector deficit it is almost certain that large cuts will soon be required in publicly financed capital expenditure. This will most likely affect housing, both new construction and improvements, and probably other areas such as school building, road improvements, etc. Here power and direction clearly lie with the central government.

Another way to reduce the rate burden would clearly be to phase out certain subsidies, notably to public transport and council house tenants. These subsidies unfairly shift the burden from the user of the services to the tax payer and rate payer.

But even if firm action was taken in both these areas rates would still shoot up again in 1976. Wages represent roughly 60 per cent. of local government expenditure and only if wage increases are reduced or services pruned can the ratepayer be spared without further Exchequer support. It is, as the Chancellor recently said, "a matter of arithmetic. Since most local government services are mandatory and implement Acts of Parliament the direction of cuts here as well must come from Ministers.

It is frankly not sensible to talk about fancy town halls and sports centres as if these were the cause of rate rises or to send junior ministers round the local authorities preaching economy. The reality is that either local authorities should be encouraged to resist excessive wage demands firmly (more difficult now because of other public sector awards) or they must be told which services should be cut, in order to deal with different circumstances (for example, Kensington and Chelsea has a requirement to help the homeless which fortunately does not exist everywhere) it would be sensible for each authority to agree its expenditure, preferably for more than one year ahead, with the Department of the Environment.

Sadly I fear that faced with these hard choices and with the present confusions of responsibility between different levels of central and local government the evil day will be put off for too long to shield ratepayers next year. Although part of the blame will rest with some authorities such as the GLC who employ inflated staffs and continue foolish programmes of subsidy, the main responsibility will rest with central Government which has so far shirked the task of making or enabling local authorities to make necessary economies, and has undermined the ability of local government to resist unjustified wage claims.

Roger Brooke,

Councillor, Royal Borough of Kensington and Chelsea.

20, Stanhope Gardens, S.W.7.

Business drive

From Mr. C. Michel.

Sir,—While I believe that British management is far from blameless in the fruitless arguments which rage between the representatives of this country's management and trades-unions, I thoroughly concur with the observations of Mr. S. Sternberg (May 6) on the subject of the businessman abroad.

Coincidentally, the matter was discussed informally by some of the British contingent at an international exhibition I attended in Stockholm at the end of April. Our talks did not go quite so deeply into the issue as does Mr. Sternberg. Indeed, judging by the pursuance by trades-unions of board representation without board liability, I think it very uncertain that "workers" could be persuaded to countersign sales contracts.

The discussion in Sweden was restricted to the insight on export selling that production workers might get from being involved in an overseas exhibition. Perhaps, it was mooted, the popular misconception that the trip was just another priviledged persons junket on the expense account, might be dispelled.

Apart from a basic 12-hour working day, these people had to spend the weekend beforehand building their stand into the basic shell provided and to demolish and pack it at the end of the show. An interesting sidelight on this was that we were helped rather than hindered by the exhibition contractors. Many of the tasks—such as fitting an electric point—we did ourselves; a situation rarely encountered at British exhibition halls.

It is the general impression one has, not of the individual shop floor employee but of the entrenched attitude of trades unions, that one has to be paid extra for everything, which led our discussion to the rather cynical conclusion that "worker" representation in Stockholm would have called for wages, plus overtime, plus allowances for unsocial hours and absence from home. If only people could bring an end to the them-and-us attitude which prevails in British industry and dispense with the implication that only members of unions are workers.

The abiding impression of my visit to socialist Sweden is that it is virtually a classless society, not in terms of a state stranglehold on industry, nor even that everybody gets exactly the same amount in their paypacket: simply, that almost everyone accepts each other on equal terms.

Christopher Michel.

Business Ambassadors.

193, Three Bridges Road, Crawley, Sussex.

A shift of power

From Mr. J. Richardson.

Sir,—A statement by Mr. Wedgwood Benn quoted on your front page on May 2 provides an interesting subject for analysis. We are to see (he says) a "shift of power in favour of those who work in the industry—by hand and by brain."

Now in my experience industry is already managed by people who work in it. So any shift of power can only take place as between the hands and the brains. This is not however the really misleading feature. Wherever the balance of power among the workers may settle, the unstated truth is that the nature of this power is to be completely altered by transferring power over industrial policy to people who do not (and probably never have) worked in any industry — Ministers, MPs and civil servants. What he meant was that we are to see a "shift of power away from those who work in industry and a change in the style of operational management."

J. P. Richardson.

Humphrey's End, Rectory Lane, Stevenage, Herts.

Managerial skills

From Mr. H. Button.

Sir,—You reported on May 3 that Sir Keith Joseph had described Mr. Benn as "the man who has never run a whelk stall and who thinks he can run British industry."

During a debate in the House of Commons on November 22, 1966, the late Sir Gerald Nabarro said that he had spent his life running businesses, "whereas the great majority of hon. gentlemen opposite have not the qualifications to run a whelk stall profitably."

Can any of your readers say who first chose the running of a whelk stall as the nadir of managerial competence? Dictionaries of quotations shed no light on its authorship.

Henry G. Button.

7, Amhurst Court, Grange Road, Cambridge.

To-day's Events

GENERAL

National Economic Development Council meeting, under chairmanship of Mr. Denis Healey, Chancellor of the Exchequer, will be attended by CBI and TUC leaders and members of Cabinet.

Mr. Harold Wilson, Prime Minister, and Mr. James Callaghan, Foreign Secretary, arrive in Washington for talks with President Ford.

Ferranti tripartite talks continue between Government, unions and management.

British Leyland directors give evidence to House of Commons committee investigating motor vehicle industry.

Freeing of ships trapped in Suez Canal due to begin.

Trade Negotiations Committee agricultural group meets, Geneva.

Nor-Shipping '75 conference, sponsored by the Financial Times, final day, Norwegian Maritime Museum, Oslo.

Queen and Duke of Edinburgh begin state visit to Japan.

PARLIAMENTARY BUSINESS

House of Commons: Defence debate followed by Lords amendments to Referendum Bill. House of Lords: Debate on the need for a united approach to the nation's economic and industrial problems.

COMPANY RESULTS

Laporte Industries (Holdings) (full year).

Mercantile Credit (half year). Sainsbury (J.) (full year).

COMPANY MEETINGS

Biddle, 16, Upper Grosvenor Street, W., 11.

Bronx Engineering, Edgbaston, 12.

Clough (Alfred), Stoke-on-Trent, 12.

Fairclough (Leonard), Manchester, 11.30.

Gibbs and Dandy, Luton, 11.30.

Harrison and Sons, Stationers Hall, Ludgate Hill, E.C., 12.

Ibstock Johnsen, Connaught Rooms, W.C., 12.

Pye, Hyde Park Hotel, S.W., 12.

Schroders, 120, Cheapside, E.C., 12.15.

Smith and Nephew Associated, Grosvenor House Hotel, W., 12.

Thurgar Bardex, Kettering, 11.30.

United States Debenture Corporation, 2, St. Mary Axe, E.C., 2.15.

Warren (James), Winchester House, E.C., 11.15.

COMPANY NEWS + COMMENT

Averys well on target with £8.1m.

IN LINE WITH the forecast of a second half result similar to the same 1973 period, taxable profits of Averys finished 1974 at £8.13m. compared with £7.45m., after a rise from £2.56m. to £3.15m. for the first six months.

After tax and minorities, the attributable balance is little changed at £3,610,000 against £3,611,000. There are extraordinary credits of £122,000 compared with £120,000.

The dividend total is lifted from 4.0408p to 4.3426p net with a final of 2.8726p.

The group manufactures weighing, testing, and measuring machines.

	1974 £000	1973 £000
Turnover	52,167	46,951
Trading profit	7,659	6,939
Investment income	182	229
Share associates	309	282
Profit before tax	8,150	7,450
U.K. tax	3,003	2,812
Overseas tax	1,424	1,736
Net profit	3,703	3,662
Minority interests	91	71
Extraordinary credits	122	120
Attributable	3,732	3,731
Interim dividend	542	502
Second interim	—	377
Final proposed	1,060	612
Retained	2,130	2,240

● comment

As expected, Avery's second half pre-tax profits are virtually unchanged, leaving full year profits 9 per cent. ahead after a 19 per cent. gain at the interim stage. Exports, in accounting for half of the 11 per cent. increase in sales, lie behind an increase of nearly a quarter in U.K. profits to £5.7m. and this has more than compensated for a profits fall of £0.4m. overseas. Power generation problems in India have now been sorted out and markets for exports, just over a sixth of sales last year, remain firm. Growth here should compensate for sluggishness in the U.K. and despite working capital pressures, the group still has a surplus cash position. At 87p, down 4p last night, the yield is 8 per cent. and the market capitalisation £31m.

INDEX TO COMPANY HIGHLIGHTS

Mothercare up 11% to £7.4m.

ON SALES up by 27 per cent. from £39.59m. to £50.47m., pre-tax trading profit of Mothercare, the Watford-based maternity and baby wear, etc., retailers, rose by 11 per cent. from £6.7m. to a record £7.4m. in the 52 weeks to March 29, 1975. At the six-month stage, profit was up from £2.6m. to £3.2m.

The U.K. contribution to the year's trading profit increased from £6.2m. to £7.1m., but that from overseas dropped from £476,000 to £366,000.

After crediting a lower surplus on property disposals of £20,000, against £253,000, the profit balance, before tax, was £7.4m., compared with £6.9m.

A final dividend of 3.105p per 10p share, lifts the net total from 4p to 4.366p, equivalent to a gross total of 66.59 per cent. against 59.19 per cent.

Profit before tax includes interest received, less interest paid of £797,806 (£716,235). Merchandise to the value of £2.5m. (£1.7m.) was despatched to the group companies overseas—exports of Mothercare-By-Post were £1.4m. (£791,000).

The number of shops trading at March 29, 1975, was—U.K. 150 against 144 in 1974, and overseas 14 against 13.

	1975 £000	1974 £000
U.K. sales	45,550	35,445
Overseas	4,923	4,146
Total sales*	50,473	39,591
U.K. trading profit before tax	7,063	6,241
Overseas	366	476
Total profit	7,429	6,717
Surplus on props. disposal	20	253
Balance	7,449	6,970
U.K. tax	3,726	3,458
Overseas	236	203
Profit after tax	3,493	3,309

* Excluding VAT.

See Lex

Bellway in 'sound position'

PRE-TAX PROFITS in the half year ended January 31, 1975, for Bellway Holdings—formerly North British Properties—showed a reduction from £2.25m. to £2.02m., but the directors expect this trend to be improved upon in the second six months.

The Surrey-based Bellway subsidiary A. and R. A. Searle has concluded a large deal with the Orbit General Housing Association for the sale of six Searle properties for £5.75m. This is not reflected in the first-half results.

Group bank borrowings at July 31, 1974, were reported at £7.8m. but this has since been reduced to £3.5m.

In the light of the current national situation, the directors feel that the performance of the housebuilding subsidiaries and the increasing contributions of recently acquired companies such as Searle is very satisfactory.

	Half year to Jan. 31 1974-75 £	1973-74 £
Turnover	11,178	9,285
Net income invest. prop.	377	317
Profit bldg., land sale, etc.	2,496	2,358
Making	2,873	2,675
Depreca. and interest, etc.	855	427
Profit	2,018	2,248
Taxation	1,151	1,175
Net profit	867	1,071
Profit on sale shareholdgs.	—	54

Private housing continues to operate "very satisfactorily." An additional Local Authority contract in Scotland valued at £1.8m. brings the total value for this sector to £6.8m.

The group continues to operate on a "very sound basis" members are told.

Earnings per 25p share for the half-year are stated at 3.5p, compared with 4.6p or 3.4p adjusted to a comparative tax rate.

The interim dividend is raised from 1p to 1.1p net. For 1973-74 a total of 2.1339p was paid from a profit of £3.85m.

● comment

Bellway Holdings has held up better than most of the rest of the housebuilding sector over the past couple of years, and managed to limit its profits decline during the first half of 1974-75 to only a tenth pre-tax. The main reason has been that the group operates in the lower price bracket—£7,500 to £9,500—which has been relatively much stronger. Anyway, the message of the interim statement is that the corner has definitely been turned: unit sales are up and prices have been much firmer over the past few months. Overall, this points to full year profits of possibly around £4½m., roughly a sixth above last year's level, but still below the record 1972-73 total. Moreover, the improvement in liquidity since last July—mainly because of the sale of six blocks of flats—has reduced net debt to £7.85m., against shareholders' funds of £9.74m., and a capitalisation of £14.1m. at 56p, which only partly reflects the company's premium status within the sector.

Better year seen by J. Coral

THE CURRENT year has started well for J. Coral Holdings, and there is "every reason" to expect a better year than 1974; reports the chairman, Mr. N. Coral.

The policy during the past year was one of consolidation, but this will not prevent the group from taking advantage of favourable opportunities when they occur, he tells members.

In addition, by concentrating on maximising the profitability of existing operations through increasing turnover and containing costs, the company will be provided with the "solid base necessary for the return to the growth pattern of recent years."

As reported on April 24 taxable profits for the 53 weeks to January 3, 1975 fell from £5.02m. to £4.53m. and the dividend is the maximum permitted 5.451p (5.004p) net. The casino division which had been showing near record profits suffered a reverse in the last quarter, and this coupled with the need to make special provisions against the fall in property values in the associate caused the downturn.

An analysis, by activity, of turnover—£133.87m. (£106.02m.) and profit before tax shows (£000s omitted): Bookmaking £123.05 (£97.05) and £2.707 (£2,880), gaming £8.808 (£7.030) and £1,908 (£1,509), bingo £1,532 (£1,130) and 450 (£468), other activities £448 (£810) and a loss of £239 (profit £158). Interest payable took £387 (£83).

Inflation adjusted accounts show profits before tax at £5.5m. (£6.52m.) on a CPP basis, earnings per share at 17.2p (20.5p) compared with 11.2p (14.3p) historical, and net assets per share at 98.1p (82p) against 69.5p (57p) historical.

The accounts show that £5,000 was paid to a director as compensation for loss of office. Meeting, 30 Berkeley Street, W., on May 28, at 11.30 a.m.

DCM up 40% to peak £2.8m.

REFLECTING THE continued and planned growth of both the toy and D-I-Y divisions, profits of Dunbee-Combex-Marx expanded from £2m. to £2.81m. in 1974, on a turnover £9.6m. ahead at £31.3m.

Earnings per 10p share are stated to be up from 18.8p to 27.2p; and the dividend is lifted from 2.216p to a maximum permitted 3.7p.

Members are told that the pattern of trade in 1974 was unduly distorted in the early part of that year and the split of the profit between the first and second halves was abnormal. There has been a return to a more normal trading in 1975 and "although we live in volatile and difficult economic times, the 1975 results are expected once again to show a further improvement."

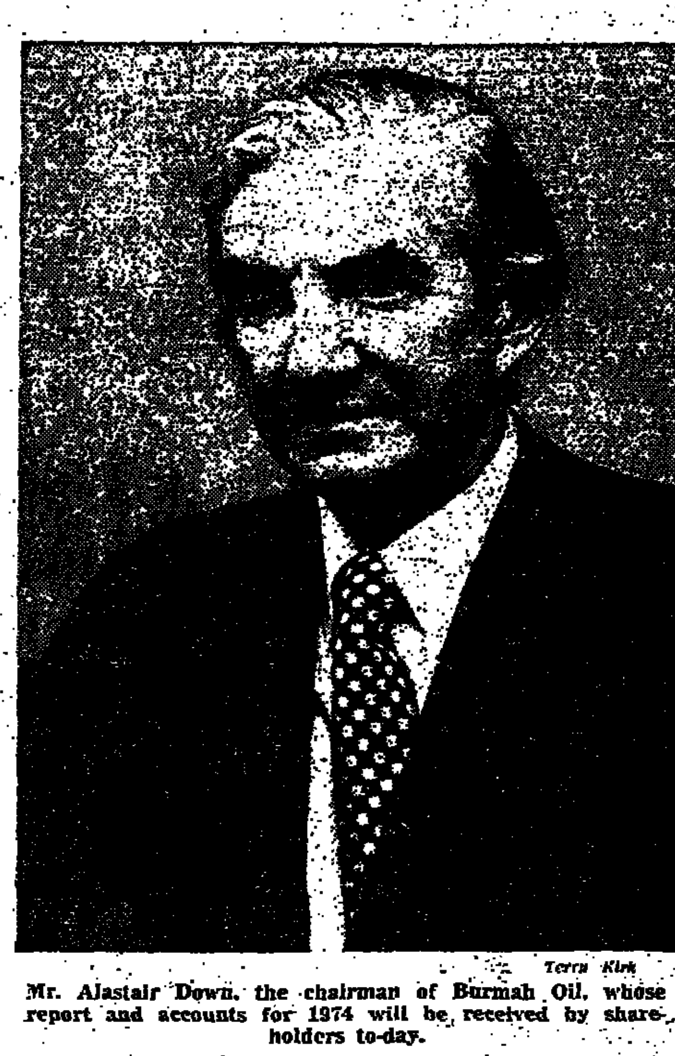
	1974 £000	1973 £000
Group turnover	31,310	21,709
Profit before tax	2,810	2,009
Taxation	839	643
Net profit	1,971	1,366
Attributable	1,965	1,344
Ordinary dividends	267	160

The group's cash flow in 1974 was £2,039,000 and in addition there is the added benefit of deferred tax relief due to the stock increase and capital investments, which amounted to a further £6[illegible]200.

The group's net assets also increased and are now 115p per share, against 75.6p.

● comment

A 40 per cent. rise in profits at D-C-M suggests the group is still very much cum-growth, but the going may be getting tougher. Second-half margins, for example, fell by a point, as interest charges rose by 60 per cent. to £0.8m. while higher year-end stocks imply a slight fall in stock turn. But D-C-M is still using the tax losses inherited from Rovex to support cash flow, and this year's moulds revaluation, as well as the 1973 property revaluation, should help to preserve a convenient margin between debt and equity. At 91p, the yield is 6.5 per cent.



Terry Kirk

Mr. Alastair Down, the chairman of Burmah Oil, whose report and accounts for 1974 will be received by shareholders to-day.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Averys	2.87	July 1	1.66	4.34	4.04
Bellway ....int.	1.1	—	1	—	2.13
CLRP Inv. ....int.	0.5(a)	—	0.35	—	1.25
Collett, Dicknsn. Pearce int.	1.27	—	1.16	2.45	2.26
Dunbee-Combex	3.7	Nov. 14	2.22	3.7	2.22
Lesney Products	0.44	July 1	0.42	0.78	0.72
Mothercare	3.1	—	3.2	4.366	4.0
Oxley Printing	nil	—	1.68	0.84	2.55
Tarmac	4.35	June 27	3.99	7.35	6.77

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) To reduce disparity.

Lesney ahead by £1.31m.

SECOND HALF profits of Lesney Products, the Matchbox toys group, increased from £2.03m. to £2.61m., pushing up the total for the 53 weeks ended February 2 1975 to £3.86m., compared with £2.55m. for the previous year.

When reporting at the interim stage the directors said that while there was every indication of successful trading in the second half, the year's profit should be anticipated with caution due to possible erosion of margin by higher costs.

Net interest of £355,000 was paid this time compared with £44,000 received in 1973-74. Providing for tax and extraordinary debits of £84,000 (£247,000 credits) there is a net balance of £1.84m., against £1.74m. Earnings per 5p share (before the extraordinary items) are stated at 6.25p (4.84p).

The dividend is raised by the permitted maximum — from 0.71625p to 0.777125p net, with a final of 0.437125p.

	1974-75 £000	1973-74 £000
Sales	33,306	24,053
Trading surplus	5,019	3,319
Depreciation	691	658
Deb. interest	112	127
Net interest paid	355	*44
Profit before tax	3,861	2,550
Taxation	1,942	1,054
Net profit	1,919	1,496
Extraordinary debit	†4	†247
Preference dividend	37	37
Ordinary	219	157

* Received. † Credit.

Group properties were revalued on an existing use basis at February 2. The gross surplus arising amounts to £3.8m. of which £2.68m. will be transferred to capital reserve and £1.12m. dealt with as a deferred tax liability.

As a result of the revaluation and the current year's net retentions, net asset value of the equity is about 50p per share.

● comment

Even the kids are trading down, according to Lesney, as pocket money fails to keep pace with inflation. But volume growth accounted for about half of last year's 39 per cent. sales advance, so the group's products must be located at the right end of the market. 75 per cent. of turnover went in exports, too, so the appeal of the product range is international. Financing such a high level of exports, however, extends the debt collection period to around 80 days and, with suppliers insisting on roughly 30 days settlement, there is a built-in strain on working capital requirements. This explains the rise in the bank interest charge of £0.4m. and also the revaluation, designed to bring asset values more into line with bank borrowings of £5m. (1973-74: £1.8m.). At 22p, the shares yield 5.4 per cent.

Burmah plans £2.1m. Deb. repayment

The directors of Burmah Oil will shortly submit proposals to holders of the outstanding £2.1m. nominal of 6¼ per cent. Debenture Stock 1978 for the repayment on June 30, 1975 at par with accrued interest. Under its existing terms the stock is redeemable in four equal instalments on June 30 in the years 1975, 1976, 1977 and 1978.

The directors explain that certain provisions of the trust deed constituting the stock prevent U.K. subsidiaries from incurring borrowings or providing security or guarantees other than in a number of specific and limited circumstances, and they believe these restrictions have now become an obstacle to the efficient organisation of Burmah's trading operations, particularly in the sphere of its North Sea concessions.

In addition, the stock is secured by a charge on holdings of Ordinary capital of Shell and BP with a combined market value in excess of £28m. Under the provisions of the trust deed constituting the stock, unless this action were taken these holdings would remain charged to the trustees until it has finally been repaid in 1978.

Setback at Oxley Printing

AFTER exceptional losses of £122,000 this time, taxable profits of Oxley Printing Group show a fall from £501,000 to £200,000 for 1974, following a drop from £247,000 to £137,000 for the first half.

The directors say the results were affected by the three-day week and the decline in profits in the platemaking division as a result of its close association with the advertising industry.

Results of Tinling (1973) and Peter Way, acquired during late 1973 and subject to material reorganisation, have been treated as exceptional trading items—their losses totalled £80,440.

Tinling is still making trading losses and in view of this and to assist cash flow the Board do not recommend payment of a final dividend, leaving the net interim of 0.8375p to compare with last year's total of 2.55p.

The remainder of the group is trading profitably in the current year, the directors add.

	1974 £000	1973 £000
Operating profit	322	501
Exceptional losses	122	—
Group profit before tax	200	501
Taxation	89	168
Net profit	111	335
Extra-ordinary debits	—	44
Leaving	111	291
Pref. dividend	18	18
Interim Ord.	47	49
Final	—	93
Balance	46	131

● comment

Oxley's 1974 results—pre-tax profits down 60 per cent. on a 30 per cent. rise in sales value—came as a disappointment and the shares shed 3p to 12p (a new low for the year). The Tinling acquisition has not lived up to expectations and an injection of £150,000 from the DTI last February was necessary. With orders from the publishing industry still much lower it seems unlikely that Tinling's losses will be reduced this year. Elsewhere, platemaking profits were down by £200,000 as a result of lower advertising levels, but the trend this year is improving. The group is still fairly heavily borrowed; in the 1973 accounts shareholders' funds of £2.2m. were supporting net borrowings of £3.4m., and the new accounts will probably show further increases. A rights issue would change this pattern, but the shares are way below the 25p par value where even so the yield is no more than 10.4 per cent.

New Shell company

Shell has formed a new company in the Netherlands, Nautilus Ventures BV, which will be responsible for the development and promotion of the exploration and production contracting business in the sphere of drilling, construction and oil field services.

This new activity will be complementary to drilling contracting activities already entered into through joint ventures with established international contractors Sedco and Offshore International.

Nautilus will start its activities in the field of offshore exploration and production drilling.

W. L. Pawson profitable

Mrs. Jane A. Kaye, chairman of W. L. Pawson and Son, clothing manufacturers, confirmed at the annual meeting that the company had been trading profitably so far this year. In her annual statement Mrs. Kaye had reported profitable trading during the first quarter of 1975, but had said it was becoming increasingly difficult to forecast the future with any certainty.

ISSUE NEWS

Macarthys raising £0.8m. by rights

Macarthys Pharmaceuticals announces that underwriting has been completed for a rights issue of 2,104,671 New 20p Ordinary shares at 40p per share to raise £795,000. The basis will be one for every four held April 30, 1975.

During the 10 months to February 28 group turnover increased by 23.3 per cent. and to finance this higher level of activity the company increased its short-term borrowings—proceeds of the issue will be used to reduce these.

Directors estimate that consolidated pre-tax profit for the year ended April 30, 1975, will have been not less than the £1.45m. in the previous year, and they intend a second interim dividend of 1.22p and a final of 1.15p. The New shares will not rank for the second interim.

An extra-ordinary meeting will be convened for May 23. The issue has been underwritten by London and Yorkshire Trust and brokers are William de Broe Hill Chaplin and Co.

CRODA'S RIGHTS RESULT—96%

Croda International announces that acceptances have been received in respect of 44,314,669 Ordinary Shares of 10p, approximately 96.35 per cent. of the 45,991,468 Ordinary Shares offered by way of rights on the basis of one-for-one at 10p. The issue was not underwritten and the shares not taken up have been sold for the benefit of those entitled, to whom cheques, where appropriate, will be posted as soon as practicable.

COLNE VALLEY WATER

Colne Valley Water Company announces that underwriting has been completed for an Offer for Sale by Tender of £2½m. of 9 per cent. Redeemable Preference Stock 1980.

Brokers to the issue are Seymour Pierce and Co., and full particulars will be available to-morrow.

SHORT-TERM LOCAL LOANS

The coupon rate on this week's batch of local authority one year bonds climbed a further ⅛ of a point to reach 12⅛ per cent. The bonds are due May 12, 1976 at par.

This week's issues are: Birmingham District Council (£2m.), London Borough of Lambeth (£½m.), East Staffordshire District Council (£½m.), Stroud District Council (£½m.), Dover District Council (£0.2m.), Luton Borough Council (£½m.), Royal Burgh of Arbroath (£½m.), Calderdale Metropolitan District Council (£½m.), City of Manchester (£1m.), Torbay Borough Council (£½m.), Metropolitan Borough Dudley (£½m.), West Lot[hian] County Council (£½m.), B[urgh] of Armadale (£¼m.), B[rad]ford City Council (£[illegible] Restormel Borough Co[uncil] (£½m.), Swale District Co[uncil] (£1m.), Tonbridge and Ma[lling] District Council (£½m.), Ca[nter]bury City Council (£½m.), [Red]ditch District Council (£[illegible] Darlington Borough Co[uncil] (£½m.), City and Royal Burg[h of] Perth (£1m.), South Bedford[shire] District Council (£½m.), [illegible] Royal District Council (£[illegible] Warwickshire County Co[uncil] (£1m.)

BARCLAYS NATIO[NAL]

Barclays National Bank [an]nounces that 971,000 s[hares] (40.2 per cent.) of the 2.41[m.] "C" shares offered by wa[y of] rights have been taken up [It] was a provision of the acqui[sition] of Western Bank by Barclays [that] the shares should be offer[ed to] Barclays National shareh[olders] (other than Barclays Bank [Inter]national) on the basis of 4 shares for every 100 Ba[rclays] National shares held. The b[alance] has been taken up by the [under]writers.

The "C" shares will not [rank] for the interim due [to be] declared by Barclays for th[e] year ended March 31, wh[ich is] forecast to increase to 8.5 against 7.5 cents.

Upturn at Incledon & Lamber[ts]

CONTRARY TO expect[ations] expressed at the interim, profits before tax of Incledo[n and] Lamberts for the year [to] March 31, 1975 are now [in]approximate to the £609,000 achieved in 1973[-74].

In December the directo[rs re]ported first half profits up £285,711 to £351,319 but said [there] was no prospect of reachin[g the] previous year's level.

They now explain the better than expected resul[t as] due partly to "excellent" [results] from Ansell Jones and C[o. in] the last three months of th[e year] coinciding with a recove[ry in] their order intake.

They are also due to [a pro]gramme of stringent eco[nomies] aided by a "first-class" ef[fort at] Durapipe, which produced [reason]able profits at a lower le[vel of] turnover than anti[cipated] originally.

The group makes plasti[c pres]sure pipes and fittings and tackle.

مكانه الأصل

Tarmac turns in £17.8m. —£10.6m. rights issue

[TO]GETHER with their prelimin[ary] statement of results for 1974, [wh]ich show increased profits for [the] eighth consecutive year, the [di]rectors of Tarmac, the road[sto]ne and civil engineering group, [an]nounce a net surplus on pro[per]ty revaluations of £20m., and [a] right issue of new Ordinary [sha]res to raise about £10.6m.

[T]axable profit was £17.8m., [com]pared with £16.3m. in 1973, [aft]er being £7.9m. (£6.6m.) at [hal]fway—the directors had fore[cas]t a satisfactory outcome for [the] year.

[S]tated earnings per 50p share, [bef]ore extraordinary items, [am]ounted to 21.2p against 21.1p [an]d the net dividend total is [rais]ed from 6.76725p to the maxi[mu]m permitted 7.345p with a [fin]al of 4.345p.

The £20m. net surplus on pro[per]ties which is reflected in the [19]74 year-end balance sheet, arise [fr]om a professional revaluation [of] group interests in land, [mi]nerals and buildings in the [Br]itish Isles, on an existing use [ba]sis, at December 31, 1974, in [the] sum of £36.25m.

Net taxable assets are shown [to] have increased from 70p per [sh]are in 1973 to 126p.

The directors attribute the [go]od profits to sturdy perform[an]ces by all the main divisions, [pa]rticularly the roadstone and [hou]sing divisions, both of which [di]d "remarkably" well in diffi[cu]lt conditions. There was a [tu]rnround of £271,000 to a profit [of] £423,000 in the group's growing [Eu]ropean operations.

And they report that unaudited [pr]ofits for the first three months [of] 1975 are above the budget [fo]recasts for the quarter and also [ah]ead of the corresponding [pe]riod of last year. If current [tr]ends continue, they anticipate [or]dinary dividends in respect of [19]75 on the capital, as enlarged [by] the rights issue, which will at [le]ast maintain the total gross rate [de]clared for 1974.

The rights issue, offered to [ho]lders registered May 2, is of [...]89,811 shares at 125p per share, [pa]yable in full on acceptance, on [a] one-for-five basis. Fractional [en]titlements will be aggregated [an]d sold in the market for the [be]nefit of the company.

The new shares will not rank [fo]r the final dividend for 1974.

The latest time for acceptance [an]d payment in full is Tuesday, [Ju]ne 3 (3 p.m.). A circular letter, [to]gether with a provisional allot[m]ent letter, will be despatched on [M]ay 13.

Arrangements are in hand for [th]e issue to be underwritten by [R]obert Fleming and Company. [B]rokers to the issue are Cazenove [a]nd Company and Rowe and Pit[m]an, Hurst-Brown. It is antici[p]ated that dealings will com[m]ence on May 14.

Giving their reasons for the [i]ssue, the directors say it is their [a]im to ensure that the group's [g]rowth should continue, and at [p]resent the management has a [n]umber of proposals to that end.

They consider the group has sufficient resources to finance existing business at current levels of activity, but that additional capital is required to finance expansion, and they believe this is an appropriate time to widen the equity base and permit maximum advantage to be taken of current and future opportunities.

	1974 £000	1973 £000
Turnover	322,842	282,820
Profit before interest	21,788	18,459
Interest payable	4,009	2,116
Profit before tax	17,779	16,343
Roadstone	8,846	9,098
Construction	3,154	2,293
Housing	3,073	1,311
Properties	*644	310
Bitumen products	3,153	2,825
Other activities	439	356
Taxation	8,425	7,690
Net profit	9,354	8,653
Minorities, pre-acquis.	46	66
Balance	9,308	8,587
Extraordinary debits	3,322	2,089
Attributable	5,786	5,598
Preference dividend	11	11
Ordinary dividends	3,227	2,849
Retained	2,548	2,729

* Loss.

The 1974 performance suggests the group can still create opportunities for growth in the U.K. and "all the main divisions are well equipped to do so provided finance is available." Furthermore, the increasing strength of the principal European businesses "provides optimism for prospects of their expansion."

A proposal to acquire Coolag, an insulation company with factories in England and Holland, has recently been announced—this acquisition will provide the Bitumen Products division with opportunities for further growth. The recently announced formation of the International division, combining resources from the Roadstone and Construction divisions, will greatly strengthen operations outside Europe—this division will require additional finance to take further advantage of the growing markets in the Middle East and other overseas areas where the group's expertise can be applied, it is explained.

The extraordinary debits, are after tax where appropriate, and are items, which, under the previous accounting practice, would have been charged direct to reserves. They comprise: net loss on closure of plants and businesses £1,965,000 (£135,000 surplus), provision to write down quoted investments to market value £682,000 (£2,482,000), credit on movement on exchange rates £125,000 (£526,000) and transfer to tax equalisation nil (£1,178,000).

See Lex
Statement Page 25

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims—I. Barnet, Frederick W. Evans, Brenan Spark, Lansdale Estates, London and Provincial Shop Centres, Macclesfield Credit, Transvaal Consolidated Land and Exploration.

Finals—Altifund, Boosey and Hawkes, City of Oxford Investment Trust, Continental Union Trust, Crowther and Nicholson, Feb International, Feedex, Gleves Group, Liberty Industries, London Trust, Photax (London), J. Sainsbury, Trust Union, O. and W. Walker.

FUTURE DATES

Interims—	
Belgrave Assets	May 12
Comyn Bros.	May 12
Osborn (Samuel)	May 12
Plaxtons (Scarborough)	May 13
RCF	May 8
Finals—	
Aberdeen Construction	May 8
Allied Irish Banks	May 14
British Syphon Industries	May 13
Consolidated Co. Bulldogmin	May 13
Costain (Richard)	May 13
Gates (Frank G.)	May 20
Griqualand West Diamond Mining	May 13
Industrial and General Trust	May 15
N.M.C. Investments	May 13
Normand Electrical	May 30
Portals	May 12
Portsmouth and Sunderland Newspapers	May 29
Randalls	May 12
Sheffield Price	May 12
Usher-Walker	May 13
Wood (Arthur) (Longport)	May 8

JB looks to the long-term

ALTHOUGH THE immediate economic outlook remains doubtful, the directors of constructional and mechanical engineers JB Holdings have confidence in its long-term future, they say in their annual report.

They report that during 1974 there was a considerable demand on group funds. As a result of its overall financial strength it was able to finance these "exceptional" requirements while remaining well within the total facilities available.

The directors anticipate that the effect of these exceptional requirements will be reversed during the current year and this, together with the anticipated profitability in 1975 and the deferment of taxation liabilities, should result in a "significant" improvement in the cash situation.

There has already been a reduction in the overdraft, they add.

As reported April 26 pre-tax profit advanced from £1.2m. to a record £1.3m. in 1974, the seventh successive year of increase, and the dividend total is up from 0.75p to 0.81p net. An increasing proportion of profit is being earned overseas—in 1974 about one-fifth came from overseas activities, excluding the benefits accruing through the considerable direct exports of the engineering and hydraulics companies. Exports of engineering and hydraulic products were a record £1.81m.

A breakdown of principal activities giving percentage of turnover and pre-tax profit in 1974 shows: Civil engineering and building 48.2 (47.4) and £620,000 (£549,000); Road surfacing 9.5 (11.4) and £27,000 (£97,000); Concrete and GRP pipes and roadstone 16.7 (18.4) and £253,000 (£292,000); Engineering and hydraulics 25.6 (22.8) and £422,000 (£291,000). Loan interest was £21,000 (£25,000).

A geographical breakdown of percentage of turnover and pre-tax profit shows: U.K. 95.6 (94.9) and 80.9 (87.5); Americas 4.4 (5.1) and 18.5 (12.1).

Meeting, The Charing Cross Hotel, W.C, on June 2 at noon.

Southern Constructions confidence

THE WORK load and past record of Southern Constructions (Holdings) gives chairman Mr. C. A. Mitchell the "greatest confidence" in the company's ability to re-establish its growth record, particularly with the introduction of price variation contracts resulting in the removal of what was proving to be "a punitive burden for the Civil Engineering Industry."

This is in spite of the adverse weather which has continued into this year and which has affected most operating companies, he tells members in his annual review.

He reports that in 1974 the rate at which material and plant prices escalated was far greater than anticipated and this, coupled with persistent and intensive rainfall during the autumn and winter, were the major items adversely affecting profit margins.

The general conditions necessitated utilisation of overdraft facilities as against a previously advantageous cash flow position. The expenditure on capital items of plant and equipment resulted in a 28 per cent. increase in depreciation, he adds.

As reported on March 27, pre-tax profit declined from £558,074 to £222,819 in 1974—in inflation adjusted accounts on a CCP basis taxable profit is shown at £144,259. Stated earnings per 5p share were 1.244p (0.288p on CCP basis) and net assets per share 13.9p (15.66p).

Movement in net liquid funds in 1974 shows a decrease in cash balances of £436,803 (1973 £63,757) and a decrease in short-term investments of £55,000 (£20,000).

Meeting, Portsmouth, on May 28 at 11.30 a.m.

Chairman's statement Page 26

Sharpe & Fisher aims to expand

Mr. K. J. Fisher, chairman of Sharpe and Fisher (builders merchants) says that when trading improved—"as it must"—the company will undoubtedly benefit from its improved operating efficiency.

The directors are actively pursuing means of expanding both the merchanting and D-I-Y outlets, he reports.

As known, pre-tax profit for 1974 was a record £693,000 (£676,000) and the gross equivalent dividend total is up from 1.65p to 1.82p.

Benefits of warehouse investment began to show in 1974 and all sections of operation traded profitably. The new cash and carry D-I-Y store trading as Sandfords made "considerable progress."

Outlook for Bemrose

Although inflation and economic uncertainty presents a severe challenge, the spread of specialist activities and wide base of customers at home and abroad, will enable Bemrose Corporation to take increasing advantage of every opportunity in the present year, says chairman Sir Max Bemrose.

General economic conditions today lead him to adopt a cautious tone regarding the company's ability to continue the same rate of growth achieved—with the exception of 1973—over the past five years.

He tells shareholders that "unprecedented" cost increases are proving increasingly difficult to absorb, and to this must be added the outcome of the present wage negotiations in the industry, and the uncertain rate of increase in the cost of raw materials.

Pre-tax profit increased from £378,000 to a record £1,637,000 in 1974 on turnover up from £16.97m. to £22.33m. The dividend total is up from 2.061p to 2.2981p net per 25p share.

The principal activities of the group consist of packaging, printing, heat transfer printing and publishing.

Meeting, Great Eastern Hotel, E.C., on June 5 at 11.45 a.m.

Bentalls growth prospects

GIVEN ANYTHING like reasonable conditions in the country as a whole, Mr. L. E. Rowan Bentall, chairman of Bentalls, feels there are firm grounds for believing that group progress can be maintained in the current year.

The group is in a strong financial position, having conserved cash resources by improved stock control and economies achieved in operating expenses. During 1974-75 there was a net increase of £1.81m. in liquid resources (£0.59m. decrease).

As reported April 19 group profit, before tax, increased from £1.36m. to £1.71m. in the year ended January 31, 1975 and the dividend is raised from 0.8002p to 0.8733p.

The group has prepared inflation adjusted accounts, but as the Sandilands report on the subject is shortly expected, the directors decided to suspend publication until the format is finally established.

Meeting, Kingston-upon-Thames, May 29, at noon.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div. £ or Amount	Times covered	Gross Yield	P/E Ratio
—	F.P.	—	£36¼	£33	Bell Canada ($25)	£34½	−¼	—	—	—	—
‡	F.P.	—	£22¼	£17⅛	Cont. Can. Inc. $US1	£20¾	−⅛	$1.8	—	3.4	—
[illegible]	Nil	—	85	25	Doornkraal Gold Mining	80pm	—	—	—	—	—
‡‡	F.P.	—	131	120	Ewart New Northern	131	—	—	—	—	—
40	70	—	89	84	Rank 'A'	89	+2	—	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or −
100	F.P.	—	100½	99½	Agricultural Mortgage 11% 1976	99½	—
98	F.P.	—	$98½	$96½	Grangex 9¾% Bonds 1985	$96½	—
97¾	£10	—	9½	7½	GLC 12½% Stk. 1982	7½	−1
[illegible]	F.P.	22/6	100	100	Greenwood & Batley 15% Uns. 1976	100	—
99	£50	30/5	53¼	49½	Lincoln Corp. 13% 1980	51	−1
299	F.P.	30/5	105½	101	Mid-Kent Water 10% Prf. 1980	105½	—
[illegible]	F.P.	25/5	15½	11½	Mid-Southern Water 10% Prf. 1980	105½	—
100	Nil	—	9	8	N. Atlantic Secs. 7¼% Cnv. 95-96	8½pm	+½
98	F.P.	—	$98	$95½	Ottawa-Carleton 9% Deb. 1990	$97	—
99	F.P.	—	$101	$98½	Papua New Guinea 9½% Guar. 1985	$100	—
276	F.P.	—	103¼	100	Rickmansworth & Uxbridge 10% Prf. 1980	104¼	—
100	F.P.	—	145	122	Slough Estates 10% Conv. Uns. '87/90	138	−2
91½	£65	17/6	46¼	43½	Southend-on-Sea 12½% 1981	43½	−1
99	F.P.	11/4	105	99	S. Staffs. Water 10% Prf. 1980	104½	—
[illegible]	F.P.	18/4	105	101	Sutton District Water 10% Prf. 1980	104½	—
91¼	£35	11/7	36½	35	Warwick County Council 12½% 1980	35	−1
—	F.P.	14/2	88	80	Worth (Bond) 12% Conv. Uns.	86	—
£100	Nil	2/10	47	17	Yorks Chems. 12½% Conv. Uns.	17pm	−5

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Dates		Stock	Closing Price p	+ or −
[illegible]	Nil	—	—	Associated Biscuit	19pm	—
[illegible]	Nil	—	—	Aurora Holdings	1¾pm	−1½
[illegible]	F.P.	11/4	23/5	Barratt Devs.	93	+1
[illegible]	F.P.	11/4	9/5	Bestobell	117	+1
[illegible]	[illegible]	27/3	16/5	Bridon	151	−1
[illegible]	F.P.	[illegible]	20/5	Camford Eng.	30	—
[illegible]	F.P.	16/4	16/5	Consolidated Gold Fields	245	−8
[illegible]	F.P.	—	—	Coode Int.	89½	−1½
[illegible]	Nil	—	—	Delta Metal	10½pm	−½
[illegible]	Nil	—	—	[illegible]	75pm	+5
[illegible]	F.P.	—	—	F.S. Sealpleas B1	195	−2
5p	F.P.	—	—	Fothergill & Harvey	71	−1
[illegible]	Nil	—	—	[illegible]	48pm	−7
[illegible]	F.P.	16/4	16/5	McPherson (D)	31	—
60	Nil	—	—	Martin Black	27pm	+2
50	Nil	—	—	Morgan Crucible	25pm	−2½
15	F.P.	—	—	Rolls-Royce	50	−1
50	Nil	—	—	S.K.F. "B"	175pm	—
8	F.P.	2/4	16.5	Sketchley	56	−1
7	Nil	—	—	Spirax-Sarco	29pm	−1
0	F.P.	22/4	22/5	Steetley	108	−2
0	F.P.	29/4	1/5	Tube Invs.	254	−12
9	F.P.	11/4	9/5	Unigate	43½	—
0	Nil	—	—	Western Selection	5½pm	−½

[R]enunciation date usually last day for dealing free of stamp duty. *a* Placing [pri]ce to public. *b* Figures based on prospectus estimate. *d* Dividend rate paid or [pay]able on part capital, cover based on dividend on full capital. *p**** Pence [unle]ss otherwise indicated. *u* Forecast dividend; cover based on previous year's [ear]nings. *T* Figures assumed. ‡ Cover allows for conversion of shares not now [ran]king for dividends or ranking only for restricted dividends. ** Issued by tender. [O]ffered to holders of Ordinary shares as a "rights." ¶ 200 S.Afr. cents. ƒ Rights [by] way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in [con]nection with reorganisation, merger or take-over. ♣ Introduction. ◆ Issued to [for]mer Preference holders. ‡ Allotment letters (or fully-paid). †† Provisional or [par]tly-paid allotment letters. ‡ With warrants.

COUNTER-INFLATION ACT 1973

The Treasury have given consent to the declaration by the following companies of dividends of the total amounts specified for the financial years ending on the specified dates:

The Anglo-Indonesian Plantations Ltd,	London EC4	£116,523	31.12.74
Boustead Ltd,	Wootton	£188,745	31.12.74
Electrical & Industrial Securities Ltd,	London SW1	£326,879	31.12.74
Francis Shaw & Co Ltd,	Manchester	£99,042	31.12.74
Hestair Ltd,	London W1	£283,094	31. 1.75
Thomas Marshall & Co (Loxley) Ltd,	Sheffield	£156,037	31.12.74
Ocean Transport & Trading Ltd,	Liverpool	£8,172,163	31.12.74
Smith St Aubyn & Co (Holdings) Ltd,	London EC3	£584,348	5. 4.75

Published by the Treasury as required by the above Act.

MINING NEWS

Union Miniere's cash strength

BY KENNETH MARSTON

AN EVEN stronger reserve position has been attained in the past year by Belgium's B.Frs.17.9bn. (£218m.) Union Miniere metals and mining giant. Reflecting the final compensation of B.Frs.4bn.—some 60 per cent. of which was received last year—from Zaire for the company's copper complex there, cash holdings at end-1974 have risen to B.Frs.4.5bn., compared with B.Frs.3.8bn. at end-1973.

The compensation funds have been transferred to assets replacement reserve and the past year's profit available for appropriation comes out at B.Frs.1.2bn. compared with B.Frs.1.4bn. in 1973. As already announced, the 1974 dividend total has been raised to B.Frs.950 from B.Frs.900.

Lower sales

A sharp fall in the past year's operating profits to B.Frs. 80.7m. from B.Frs.251.7m. stems from the reduction in sales of copper and other metals. UM, being a metal trader, made exceptionally high sales in 1973 from stocks purchased in the previous year. The major income item—interest and sundry receipts—however, has risen to B.Frs. 1.3bn. from B.Frs. 1.2bn. and is likely to increase further this year.

On the other side of the accounts, general monetary uncertainties and the fall in the U.S. dollar in particular have necessitated a sharp increase in the amount set aside for depreciation in value of foreign currencies. An even larger increase has also been made in the figures for depreciation in value of investments, notably those of a short-term nature.

While copper still plays an important role in UM income, the fall in the metal price does not necessarily mean a similar fall in current year's earnings from this source because dividends still being received reflect the buoyant copper market conditions of 1974. A 17.6 per cent. stake in UM is held by Tanganyika Concessions.

S. AFRICAN COAL WAGE INCREASE

The latest pay increases to be announced by the South African mining industry concern the white miners employed at the collieries of the Chamber of Mines and the Natal Coal Owners Society. As from this month they are to get an extra R54 (£34) per month which will bring the minimum monthly wage to between R430 (£270) and R480 (£302), depending on the respective union rates.

According to industry sources, the cost of the latest award will be about R2.25m. (£1.4m.) a year. This will no doubt increase pressure for a rise in the Republic's Government-controlled domestic coal prices. Coal provides some 75 per cent. of South Africa's energy needs and it also has a much enhanced export potential these days.

The recent annual report of Vereeniging Estates mentioned a recommendation in principle for Anglo American Corporation and the Transvaal Coal Owners Association each to be permitted to export more than 100m. tonnes of coal over a period of 20 years: the Anglo group collieries have an interest of about one-quarter in TCOA trade.

COOPERS CREEK GOLD SEARCH

Australia's Coopers Creek remains hopeful for its Williamstown gold project which involves the reopening and investigation of an old gold mine at the northern end of the Golden Mile close to the town of Kalgoorlie in Western Australia. Although work is a little behind schedule it is expected to start underground drilling and, possibly, mining of remnant ore within the next three weeks.

Access has been gained to the Williamstown shaft and the workings have been examined down to 140 feet. Dewatering of the deeper workings has been deferred pending investigation of the area around the Mayman shaft which has been re-collared and cleared of debris to the 155 feet level. Coopers Creek were 14p cum-premium in London yesterday.

Gopeng Board changes

One of the directors of Gopeng Consolidated, the rubber and tin mining group, has agreed to resign from the Board after his re-election was opposed by W. E. Moulsdale, a wholly-owned subsidiary of Straits Trading of Singapore, and the largest shareholder in Gopeng (with 17.9 per cent.).

Gopeng's meeting was adjourned last month after the acting chairman spoke of "areas of difficulty at Board room level" and the chairman in a circular to shareholders, released yesterday, says that following detailed discussions between interested parties the Board has decided that certain changes would be "advantageous."

Mr. D. C. Thomson is to resign from the Board and is to receive compensation for loss of office.

Moulsdale had also opposed the re-appointment of Mr. D. M. Backhouse, managing director of Dunbar and Co., but he is standing for re-election along with Mr. C. H. Fell. The Board recommends that Mr. J. G. Richardson, a director of Charter Consolidated and chairman of Tronoh Mines, and Mr. T. H. Macer, a director of Kinta Kellas Tin Dredging, should be elected.

Mr. Macer had been proposed along with Mr. T. M. Walker as a director in place of Mr. Backhouse and Mr. Thomson, and Mr. Walker is now to be proposed as an alternate director for Tan Sri Tan Chin Tuan, the Straits Trading representative on the Board. The annual general meeting will now be held on May 12.

MINING BRIEFS

ANGLO AMERICAN CORPORATION—Coal division sales outputs for April: figures in metric tons: Bituminous: Amalgamated Collieries 580,628: Anglo Power 408,284; Blesbok 51,166: Coronation 177,046; New Largo 115,687: S.A. Coal Estates (Witbank) 167,082: Springbok 179,751: Vierfontein 127,790; Vryheid Coronation 61,240, coke 46,137; Zululand Natal's Indumeni Colliery (coking coal) 33,443. Anthracite: Natal Anthracite 49,252: Balgray Colliery 22,438 Rhodesia: Wankie Colliery 224,839, coke 22,945. Swaziland: Swaziland Collieries 9,824. Botswana: Morupule Colliery 2,690. Group grand total: 2,214,017 (March: 1,947,842).

EX-LANDS—April output of Tin concentrates 46 tonnes (March 53 tonnes).

LONDON TIN CORPORATION—Columbite output for Amalgamated Tin Mines of Nigeria for March (four weeks) was 10 tonnes concentrates (February: four weeks: 11 tonnes).

Clerical Medical expansion

TOTAL INCOME of the Clerical Medical and General Life Assurance Society advanced from £42.2m. in 1973 to £56.8m. in 1974. Total expenditure was £34.4m. (£27.6m.). There was a £40m (nil) provision for unrealised losses on invested assets, and the fund at the year-end stood at £166.2m. against £183.8m.

At end-1974 the Society held larger sums than ever before on deposit and in short-term investments. Sums committed to long-term stock exchange investment were small during 1974, but substantial in the early part of January 1975.

Sir Robert Black, chairman, points out that it is important to recognise the relevance of a heavy fall in market values to a long-term insurance fund, which relies primarily on its flow of income and only secondarily on dealing profits. If, despite a fall in asset values, the future flow of income is undisturbed, and provided that there is also no alteration in the future outgo of the office in claim payments and expenses, the office's situation is unchanged. If, on the other hand, a fall in prices is due to a fall in expected future income from dividends and rents, this is a matter for concern.

The chairman also has some comments to make on the proposed "guarantee scheme." "If the Government feels that there must be a guarantee scheme supported by the life assurance industry as a whole, it is important that policyholders in companies which fail should be obliged to stand at least a part of their loss and that aid should be partial only. Otherwise there will be a temptation to offer extravagant benefits and to try and finance them by taking excessive risks," he says.

Meeting, May 14, at 15 St. James's Square, SW.

Chairman's statement Page 24

BIDS AND DEALS

Midland-Yorks. sees growth

IN A fresh letter urging shareholders to reject Croda International's £8.1m. bid, Dr. Eric Wallsgrove, the chairman of Midland-Yorkshire Holdings, refutes any suggestion that his company's profits forecast is based on "very optimistic assumptions."

The forecast is, in fact, based on a budget which was prepared for normal management purposes before Croda's offers were announced, Dr. Wallsgrove says. Accordingly, Midland-Yorkshire can look forward to continuing growth, which Croda admits, whereas Croda has not denied that it "would be happy to see profits no more than maintained in 1975," he adds.

The chairman also says that the Midland-Yorkshire properties not used in connection with its manufacturing operations have been revalued, and are now considered to have an open market value of £1.01m.

He re-iterates the Board's three main objections to the Croda bid. These are that the shareholders would suffer reductions in earnings, dividends and assets; that the value of the offer is inadequate for Ordinary shareholders and in the case of the Ordinary share offer subject to reduction without shareholders' consent; and that the company would receive neither commercial not technological benefits from a take-over by Croda.

Expansion at Marryat

The mechanical handling interests of Douglas Rownson have been acquired by Marryat Handling, a division of the Marryat Group. The transaction includes their design and patents of the range of palletising machines as well as the airport baggage handling systems and general conveying equipment.

This acquisition, says Marryat Group managing director Otto Powley, marks a "great step" forward for Marryat Handling, which is now able to offer highly sophisticated technical equipment alongside its conventional range of standard and custom-built mechanical handling systems.

Under the terms of the contract of acquisition, which has been made at a purchasing price dependent upon sales achieved over the next two years, the registered names Trustak and Multistak will be transferred to Marryat Handling.

SHARE STAKES

J. Brockhouse and Co. has received notification from Stevinson, Hardy and Co. acting as sureties of Jessel Securities, that Jessel is no longer interested in 10 per cent. or more of the voting share capital.

Isle of Man Associated Investment—Mr. Alan B. Fairley, chairman, is also the beneficial owner of a company incorporated in the Isle of Man called Llynisa which is a stockholder in the company. Mr. Fairey has stated he has disposed of 160,000 Ordinary shares being part of the stock held by Llynisa.

City Offices—Bricomin Investments, a subsidiary of British Commonwealth Shipping, has acquired a further 25,000 Ordinary shares and its total holding is now 5,890,000 (25.83 per cent.).

Empress Services acquisition

Empress Services has agreed to acquire Securities Services and Bays Services, for cash equivalent to three times the aggregate pre-tax profit of the companies for the year 1975 (or 12/17ths of the profit for the 17 months to December 31, 1975), whichever is greater). Of this £119,500 will be paid initially and the balance, not more than £100,000, after December 31, 1975, as soon as profits for the period ended on that date are certified.

In the 17 months ended December 31, 1974, PPR and Bays earned aggregate pre-tax profits of £59,000. At December 31, the net tangible assets of the companies amounted to £22,...

WINDING-UP ORDERS

Compulsory winding-up orders against 44 companies have been made by Mr. Justice Templeman in the High Court. They were: Murad International, Roy, Harrow Contractors, Weyflex; Brushdean Property Group, Fleet Tankers, Greshams (Furniture), (Midlands), Harrier, Frederick Butler, M.E. Vending and Properties.

Brushdean Developments, blast, Tilgard Construction, Marc, J. R. Marchant, Allmark, Pearless, J. Gentle Mechanical, Telstar Securities, Heat (Watford), Bridge Equipment and Bowpark Manufacturing.

Cosmetimart, Construction, (Building Contractors), Paving, Southern, Art, Peter Milton, ral Services, G. (Wilmslow) Brinkdene Investments, (Birchington), Blue Line, Micro Onde Cordon Bleu, wood Heating, A. and G. Designs, Barry Chuck and Co., Motor Services and ...

A winding-up order made on April 28 against L. F. ... was rescinded. The petition was adjourned for two weeks after it was said that arrangements were being made to pay the ...

Eagle Star

"As trustees for policyholders' savings we believe that withdrawal from membership of the Common Market would do untold damage to Britain's trading position and to our industrial base. Those who urge our withdrawal have a duty to demonstrate what are our trading alternatives".

Mr. Denis Mountain
reporting to shareholders

RESULTS AND DIVIDENDS

The surplus for the year before tax and minority interests has increased from £18.1m to £20.8m. Investment income increased to £19.6m (1973 £14.8m) and life profits amounted to £5.3m (1973 £4.9m). Fire and accident underwriting produced a loss of £3.9m (1973 £1.6m loss). The transfer from the marine, aviation and transport account amounted to £0.5m (1973 £0.5m).

Total premiums, including those in respect of long-term business, amounted to £249.8m (1973 £219.7m) an increase of 14 per cent.

Valuation of the life funds at the 31st December 1974 resulted in a transfer to shareholders of £3.1m (1973 £2.8m excluding the special non recurring transfer of £0.3m). The amount of £5.3m taken into the year's earnings (1973 £4.9m) is made up of the £3.1m with the addition of £2.2m credited in respect of corporation tax and franked investment income.

Negotiations with the U.K. tax authorities in respect of the change in the method in conducting our Australian operation have not yet been finalised and we have again considered it prudent to make substantial additional provisions for U.K. taxation.

The balance for the year after taxation, minority interests and dividends was £4.5m (1973 £3.3m).

The directors recommend that the maximum allowable final net dividend of 2.303p per share be paid which, with the interim dividend of 2.3p, makes a total for the year of 4.603p. This is equivalent to a gross dividend of 6.976p per share (1973 6.201p).

INVESTMENTS—Shareholders' Funds

The exceptional increase of 32 per cent. in investment income in 1974 arose partly because we maintained a much greater proportion of liquid funds due to the uncertainties in the financial sector. Last year we pointed out that because of the strong cash flow and the profits from our large and growing life fund the investments are held mainly for the long term. We are therefore far more concerned with yields than in year-to-year fluctuations in the values of quoted securities. The decline in the value of stock exchange investments accelerated during 1974 and by the end of the year a position was reached where stock exchange prices were an unrealistic indicator of the real value of the asset portfolio. Nevertheless, we decided to write down the balance sheet values of investments in the shareholders' fund to a level below that ruling on the 31st December by a transfer from general reserves to investment reserves amounting to £18.75m, after taking account of tax relief. The recovery in stock exchange prices since the year end has, in fact, resulted in a substantial appreciation in the shareholders' fund in capital values and the surplus over balance sheet values was estimated at some £40m (with the F.T. Ordinary Shares index standing at 339.9).

Mortgages have been shown in the balance sheet, as in the past, at face values less reserves and only a minute proportion of them has caused any concern. We are satisfied that the reserves set up are more than adequate. If existing mortgages (other than those callable within six months) are revalued by the application of current rates of interest to the anticipated future income and capital repayments there is a substantial deficiency below book values. However, this is more than exceeded by capital appreciation on properties above their balance sheet values. Overall the market value of investments exceeds the amounts shown in the balance sheets.

INVESTMENTS—Life Fund

In the life fund the investment considerations are somewhat different. In the main the liabilities can be matched against assets. If the balance sheet values of stock exchange securities were to be written down to the 31st December 1974 level, this would automatically result in an increase in the rate of investment yield on the fund and a commensurate increase in the valuation rate of interest would result in a corresponding decrease in the amount of the fund required to meet the future liabilities. Because of the long term nature of the business, we consider it preferable to maintain the overall balance sheet value of the assets and continue to value the liabilities on a strong basis. The subsequent rise in stock exchange prices and fall in interest rates underlines the good sense of this approach. The value of stock exchange investments in the life fund is estimated to have appreciated by some £115m above their market value at the year end.

The great value of our life business is evidenced by the fact that again life profits covered more than 70 per cent. of the cost of dividends to shareholders and this represents a real asset to the company. This has not been quantified in the accounts but a suitable heading has been included in the balance sheet to show a purely nominal value of £1 thousand. In the notes to the accounts it is stated that the assets were at the 31st December 1974 in the aggregate fully of the value shown and I should emphasize that this takes no account of the real value of this asset which must be a substantial multiple of the annual contribution to profits.

LIFE

United Kingdom

Annual premiums of world-wide new business amounted to £7.5m (1973 £6.8m) and sums assured £414m (1973 £363m). Single premiums and considerations for annuities amounted to £24.8m (1973 £23.1m).

In the United Kingdom we achieved, with the encouragement of the previous Government's Social Security Scheme, a big increase in pensions and group life business. The present Government has cancelled that scheme and it remains to be seen whether or not the new scheme will encourage insured schemes, but I believe that further amendments will have to be made before a true partnership can be achieved.

As explained earlier, the short term fall in market values of assets has little effect on a life fund because of the corresponding effects on the value of liabilities resulting from increased rates of return on investments. **On the annual valuation of the life funds we maintained, and in some cases increased, bonuses to policyholders and also made a tranfer to the shareholders' account of £3.1m (after tax).**

I am satisfied that equally satisfactory results would have arisen had the alternative of writing down balance sheet values and weakening the valuation rate of interest been adopted.

Overseas

In Australia a new range of life policies was successfully introduced and we are expecting to expand our life portfolio considerably in that country.

Elsewhere overseas life assurance operations are conducted by our associated companies in South Africa, Belgium, and the Near East and in a number of other territories where suitable opportunities exist we are developing these activities.

FIRE AND ACCIDENT

United Kingdom

The United Kingdom underwriting result showed a break-even position. A satisfactory level of profit was earned on the industrial and commercial property damage account but the "All-in" account produced a small loss, mainly due to adverse weather conditions. Reinstatement values of property escalated sharply during the year and there is a greater need than ever before for all policyholders to review and increase sums insured.

Motor business produced a very marginal profit. The progressive effect of inflation during the year on claims costs required us to increase our rates by 10 per cent. in July. This led to a relatively small growth of premium income in the latter half of the year due to the extremely competitive nature of the market.

Liability business is particularly vulnerable to inflation and provisions for outstanding claims have been continuously strengthened resulting in a substantial transfer to provisions for future claims settlements.

The engineering subsidiary company developed its account satisfactorily and showed only a small underwriting loss. This highly specialised company is well placed to develop and service this class of business.

Whilst premium income should show a healthy increase in the current year, operating expenses, of which the main item is staff costs, have risen and are continuing to rise sharply. All aspects of our organisation continue to be scrutinised with the objective of containing our expense ratio while at the same time maintaining the standard of service.

Overseas

As forecast in the Interim Report, the overall experience overseas improved substantially, better underwriting performances coming from almost all territories. Overseas underwriting losses were more than covered by overseas investment income.

The most encouraging result comes from South Africa where a record underwriting profit was achieved. This was mainly earned in the motor account where fuel restrictions and speed limitations had a beneficial effect on claims experience. In this territory our trading continues to be most satisfactory.

Australia is still the most unprofitable account and in 1974 suffered not only from the Brisbane floods but also from Cyclone Tracy which hit Darwin at Christmas time. We are continuing to pursue a policy of risk selection and the year under review showed a considerable improvement. I hope that the full benefits of several years of hard work will begin to show through in 1976.

In Canada our operation with Pearl Assurance continued to show losses and we jointly came to the conclusion that in the foreseeable future this territory was unlikely to be profitable. Therefore, we agreed to cease underwriting from the beginning of 1975. Pearl have made arrangements for the run-off of the account. We will maintain a small branch operation to handle business associated with our international clients and the run-off of the old Eagle Star portfolio.

The scale of our underwriting in the United States is relatively small and is now concentrated on the East Coast, where an underwriting profit was made. Once again the Caribbean subsidiaries made profitable contributions

E.E.C.

Apart from the United Kingdom, our premium income from the E.E.C. now exceeds that from any other territory and, including investment earnings, our European operations contributed substantially to our overall profit for 1974.

In Belgium we completed the rationalisation of our former branch operation with our subsidiary, Compagnie de Bruxelles. The new company Groupe Eagle Star–C.B. produced an overall profit for the year contrasted with a loss last year.

Holland made an underwriting profit compared with a loss in 1973 and in France the loss last year was cut by more than half.

The insurance industry is the biggest contributor to the country's invisible balance of payments from overseas and we intend to take the opportunities membership of the E.E.C. provides to increase this contribution even further.

Over and above this, as investors of our policyholders' funds in other sectors of British Industry, we expect that the trading benefits membership brings to the companies in which we invest will increase the earnings and value of these funds. Membership will, therefore, be of direct value to millions of policyholders as well as those who work in these industries.

Continued membership of the European community is vitally important to our policyholders and to the British insurance industry and all who work in it. As trustees for policyholders' savings we believe that withdrawal from membership of the Common Market would do untold damage to Britain's trading position and to our industrial base. Those who urge our withdrawal have a duty to demonstrate what are our trading alternatives.

LONDON FOREIGN RISKS AND REINSURANCE

Overseas risks placed in the London market are underwritten by our specialist subsidiary Home & Overseas Insurance Co. Ltd. The 1970 account which was closed in 1974 resulted in a profit and the current years are running satisfactorily.

Our inwards treaty account is growing satisfactorily and a profit was transferred from the 1973 account.

MARINE AND AVIATION

Premiums for the year total £16.6m after deduction of brokerages and commissions, an increase of 16 per cent. compared with the previous year. A transfer of £0.5m has been made to profit and loss account from the surplus on the closed 1971 account.

The 1972 account which will be closed at the end of 1975, will also prove profitable but there is a marked and progressive deterioration in the years 1973 and 1974. There has been little improvement in aviation business although there are welcome signs of some increases in premiums. The marine and aviation fund at the end of the year amounts to £23.2m and is on a very strong basis, amounting to no less than 140 per cent. of premiums.

CAPITAL BASE

The Monopolies Commission, in their report on our proposals for Sunley and Grovewood said "We have doubts about the extent and urgency of Eagle Star's need for an increase in its capital base" and, in some quarters, this was taken to mean that Eagle Star had made representations that there was an urgent need for an increase in its capital base. This was not the case, and the position was clearly stated in last year's Chairman's statement:

> "We have been able to increase the total of our capital and free reserves over the past ten years by 60 per cent. without calling on our shareholders but this increase has been exceeded by that of our premium income which has more than quadrupled. Whilst our position is still comparatively very strong we aim for a continuation of our substantial premium income growth and would in consequence wish to take advantage of any suitable opportunity to increase our reserve strength."

During 1974 there was considerable discussion, not always well-informed, on the appropriate level of the capital base for insurance operations. This was sparked off partly by the recession in stock exchange prices and the drop in property values and to some extent by speculation regarding the effect of anticipated Department of Trade solvency regulations. **At 31st December 1974 balance sheet values of the group's capital and free reserves represented over 21 per cent. of non-life premium income. With gross capital appreciation at present values and including the acquisition of Grovewood, it is estimated that the ratio is now more than 45 per cent. without taking into account the value of the shareholders' interest in the life fund. The capital base is, therefore, more than adequate for current operating purposes particularly having regard to the strong cash flow, the strength of our technical reserves and the life profits.**

ASSOCIATED PROPERTY AND INVESTMENT COMPANIES

Since the end of the year we submitted a revised offer for Grovewood Securities Ltd. and as a result there has been an increase in our capital base of some £4m.

Grovewood has recently published its 1974 results which show record pretax earnings of more than £3.2m.

During 1974 we obtained a controlling interest in Ashdale Land and Property Co. Ltd., and in 1975 we acquired the remaining outstanding shares and it is now a wholly-owned subsidiary.

Also during 1974 we increased our holding in English Property Corporation Ltd. to more than 20 per cent. and this has for the first time been treated as an associated company. We now hold 21.4 per cent.

Following the Monopolies Commission's report the board of Bernard Sunley Investment Trust Ltd. decided that until the uncertainty in the property market was clarified it would not be possible to prepare a realistic valuation satisfactory to all concerned.

POLICYHOLDERS PROTECTION BILL

We must, as a first priority, maintain and increase the strength of the group's strong position in both life and non-life departments which has been built up over the years through the prudence and foresight of our predecessors. This strength is of cardinal importance to policyholders, shareholders and staff alike. During 1974 a small number of companies found themselves in difficulties due to imprudent or speculative management or, perhaps, to the harshness of the economic realities. Last year we referred to the importance of maintaining confidence in our financial institutions and to the support operations in which we had been involved. We pointed out that there were very definite limits to the extent to which the group could be expected to be engaged in future operations.

During 1974 we were approached for assistance on a number of cases and in only one did we decline to become involved. **The insurance industry's impressive record in participating in rescue operations is too often overlooked. A statutorily imposed scheme is now being proposed. Whilst I can see merit in a measure of protection for policyholders, I can see no justification in the enforced rescue of companies which are fundamentally unviable. If the proposed scheme is implemented I believe it could impose unfair burdens on shareholders and policyholders of the soundly managed insurance companies.**

FUTURE PROSPECTS

This year we are increasing our portfolio of stock exchange and property investments whilst continuing to keep an adequate proportion of liquid funds. However, the significant reduction in rates of interest now available on all types of security will mean that we cannot expect the same rate of growth in investment income that we have been reporting in recent years.

I am confident that we are vigorously and successfully facing up to the economic situations both here and abroad. 1975 is going to be a year of real challenge but should produce improved pre-tax profits for the group.

DIRECTORS, MANAGEMENT AND STAFF

In August 1974 my father, Sir Brian Mountain, Bt., retired after more than fifty years with the company, twenty-six of them as Chairman, and on his retirement I was elected by the board to be Chairman. He remains on the board and I am pleased to say accepted an invitation to become President of the company. Consequently, we will continue to have the benefit of his experience and advice.

Mr. W. A. Nicol, one of the Deputy Chairmen of the board and Chairman of Midland Assurance, our major United Kingdom insurance subsidiary, on taking up residence in the Isle of Man resigned from these positions and from both boards in March of this year. He has been appointed President of Midland Assurance and resident director in the Isle of Man.

I congratulate Sir Alan Walker on the knighthood conferred on him in the New Year's Honours List.

The strength of the Eagle Star is in the management and staff and in their enthusiasm and skill. I would like to thank them all, on your behalf, for their hard work and loyalty.

EAGLE STAR INSURANCE CO. LTD.

1 THREADNEEDLE STREET, LONDON, E.C.2.

London Clearing Banks' balances

as at April 16, 1975

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. In this, it is comparable with the figures produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Coutts, a subsidiary of National Westminster but a clearing bank in its own right.

TABLE 1. AGGREGATE BALANCES

	Total outstanding £m.	£m.	Change on month £m.	£m.	*Change on year £m.	£m.
LIABILITIES						
Current and deposit accounts						
U.K. banks						
Sterling	2,813		+ 85		− 642	
Other currencies	2,126		+104		+ 435	
Other U.K. residents						
Sterling	21,296		+228		+2,512	
Other currencies	514		− 57		+ 89	
Overseas residents						
Sterling	1,450		+ 35		+ 182	
Other currencies	6,125		+ 49		+ 958	
Negotiable certificates of deposit						
Sterling	2,065		−269		− 848	
U.S. dollars	711		+ 23		− 86	
Total						
Sterling	27,624		+ 71		+1,204	
Other currencies	9,476	37,100	+119	+190	+1,396	+2,600
Other accounts		705		− 51		− 14
ASSETS						
Coin, notes and balances with Bank of England		1,016		− 62		+ 31
Balances with other U.K. banks						
Sterling	4,835		+ 93		− 210	
Other currencies	2,526	7,361	+ 73	+166	+ 161	− 49
Money at call and short notice						
To discount houses	1,251		− 24		+ 96	
To other borrowers	174	1,425	− 12	− 36	+ 11	+ 107

ASSETS, continued	Total outstanding £m.	£m.	Change on month £m.	£m.	*Change on year £m.	£m.
Sterling bills discounted						
British Government Treasury bills	397		+ 71		+ 283	
Other U.K. bills	845		+ 11		+ 180	
Other	38	1,280	+ 5	+ 87	+ 14	+ 477
Special deposits with Bank of England		635		+ 1		− 67
British Government stocks						
Up to five years to maturity	1,315		+ 34		+ 66	
Over five years and undated	151	1,466	+ 3	+ 37	− 43	+ 23
Advances						
U.K. residents						
Sterling	14,770		−107		+ 783	
Other currencies						
Public sector	720		+ 13		+ 552	
Private sector	1,294		− 31		+ 189	
Overseas residents						
Sterling	1,080		+ 63		+ 129	
Other currencies	5,006	22,780	+ 41	− 21	+ 551	+2,204
Sterling loans to U.K. local authorities		894		+ 61		+ 87
Negotiable sterling certificates of deposit		794		− 33		− 279
Other assets						
Sterling	579		+ 22		+ 31	
Other currencies	382	961	+ 24	+ 46	+ 97	+ 128
Acceptances		294		+ 14		+ 103

* Changes do not reflect the initial inclusion of new contributors during the period.

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES

	TOTAL Outstanding £m.	TOTAL Change on month £m.	BARCLAYS Outstanding £m.	BARCLAYS Change on month £m.	LLOYDS Outstanding £m.	LLOYDS Change on month £m.	MIDLAND Outstanding £m.	MIDLAND Change on month £m.	NATIONAL WESTMINSTER Outstanding £m.	NATIONAL WESTMINSTER Change on month £m.	WILLIAMS & GLYN'S Outstanding £m.	WILLIAMS & GLYN'S Change on month £m.
LIABILITIES												
Total current, deposit and other accounts	37,805	+139	9,692	+ 42	7,143	+148	7,656	− 47	11,782	− 54	1,532	+ 50
ASSETS												
Cash and balances with the Bank of England and other U.K. banks	8,377	+104	1,897	− 68	1,972	+ 43	1,740	+ 19	2,447	+ 59	321	+ 51
Money at call and short notice	1,425	− 36	527	+ 69	237	− 14	179	− 30	439	− 33	43	− 28
Sterling bills discounted	1,280	+ 87	296	+ 11	214	+ 65	378	+ 36	345	− 54	47	+ 29
Special deposits with Bank of England	635	+ 1	184	+ 2	94	− 1	127	+ 1	209	− 1	21	—
British Government stocks	1,466	+ 37	433	+ 1	313	+ 13	229	+ 1	484	+ 23	7	− 1
Advances	22,780	− 21	6,153	+ 59	4,024	+ 19	4,528	− 28	7,038	− 72	1,037	+ 1
Other assets (incl. sterling loans to local authorities and negotiable sterling certificates of deposit)	2,649	+ 74	382	+ 10	458	+ 28	690	+ 1	1,036	+ 35	83	—
TABLE 3. CREDIT CONTROL INFORMATION (Parent banks only)												
Eligible liabilities	18,523	−105	5,099	+ 9	2,869	− 8	3,818	+ 36	5,480	−148	657	+ 4
Reserve assets	2,468	− 83	739	− 55	414	− 11	505	+ 3	715	− 25	95	+ 5
Reserve ratio (%)	13.3	− 0.4	13.0	− 1.0	14.4	− 0.4	13.2	− 0.1	13.0	− 0.1	14.5	+ 0.8

∴ Two additions have recently been made to the list of banks included in the London Clearing Banks' Monthly Statement. These are Midland Bank Trust Corporation (Isle of Man) (as from January 15, 1975) and Cripps Warburg (as from March 19, 1975). The effects of these additions in coverage on the amounts outstanding have been excluded from the monthly and yearly changes in the statement, which are not, therefore, distorted on this account.

A revised list of the banks and their subsidiaries which are included in the statement is as follows—**Barclays:** Barclays Bank International Ltd., Barclays Bank (London and International) Ltd., Barclays Bank Finance Company (Jersey) Ltd., Barclays Finance Company (Guernsey) Ltd., Barclays Finance Company (Isle of Man) Ltd.; **Lloyds:** Lewis's Bank Ltd., Lloyds Associated Banking Company Ltd., Lloyds Bank International Ltd., LBI Finance (Guernsey) Ltd., LBI Finance (Jersey) Ltd., The National Bank of New Zealand Ltd.; **Midland:** Midland Bank Trust Corporation (Guernsey) Ltd., Midland Bank Trust Corporation (Jersey) Ltd., Midland Bank Trust Corporation (Isle of Man) Ltd., Forward Trust Ltd., Samuel Montagu and Co. Ltd., Samuel Montagu (MBFC) Ltd.; **National Westminster:** Coutts and Co., Coutts Finance Company, County Bank Ltd., Isle of Man Bank Ltd., Lombard North Central Ltd., Lombard Bank Isle of Man Ltd., Lombard Banking (Jersey) Ltd., National Westminster Bank Finance (CI) Ltd., International Westminster Bank Ltd.; **Williams and Glyn's:** Williams, Glyn and Co., Williams and Glyn's Bank Investments (Guernsey) Ltd., Williams and Glyn's Bank Investments (Jersey) Ltd., Williams and Glyn's Bank (Isle of Man) Ltd., Cripps Warburg Ltd.

Banking figures

(as table 9 in Bank of England Quarterly Bulletin)

ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, AND SPECIAL DEPOSITS

1—Banks

	April 16, 1975 £m.	Change on month £m.
Eligible liabilities		
London clearing banks	18,628	−112
Scottish clearing banks	1,932	+ 37
Northern Ireland banks	525	+ 5
Other deposit banks	407	+ 8
Accepting houses	1,364	+ 95
British overseas and Commonwealth banks	1,700	+ 47
American banks	2,583	+ 57
Foreign banks and affiliates	684	+ 28
Other overseas banks	357	+ 9
Other U.K. banks	4,141	+ 93
Total eligible liabilities*	32,322	+268
Reserve assets		
London clearing banks	2,482	− 88
Scottish clearing banks	254	+ 4
Northern Ireland banks	79	+ 7
Other deposit banks	55	+ 1
Accepting houses	213	+ 22
British overseas and Commonwealth banks	247	+ 13
American banks	354	+ 18
Foreign banks and affiliates	112	+ 10
Other overseas banks	60	—
Other U.K. banks	577	+ 30
Total reserve assets	4,436	+ 16
	%	%
Ratios		
London clearing banks	13.3	− 0.4
Scottish clearing banks	13.4	—
Northern Ireland banks	15.0	+ 1.1
Other deposit banks	13.4	− 0.2
Accepting houses	15.6	+ 0.6
British overseas and Commonwealth banks	14.5	+ 0.4
American banks	13.7	+ 0.4
Foreign banks and affiliates	16.3	+ 0.7
Other overseas banks	16.9	− 0.3
Other U.K. banks	13.9	+ 0.4
Combined ratio	13.7	− 0.1
	£m.	£m.
Constitution of total reserve assets		
Balances with Bank of England (other than Special Deposits)	265	− 93
U.K. and Northern Ireland Treasury bills	555	+137
Company tax reserve certificates	—	—
Money at call	2,474	− 8
British Government stocks with one year or less to final maturity	399	− 41
Local authority bills	146	+ 32
Commercial bills	593	− 9
Other assets	5	+ 1
Total reserve assets	4,436	+ 16
† Government stock holdings with more than one year but less than 18 months to final maturity amounted to	255	+ 9
	£m.	£m.
2—Finance houses		
Eligible liabilities‡	239	− 6
Reserve assets	24.1	− 1.3
Ratio (%)	10.1	− 0.2

∴ Special deposits at April 16 were £942m. in respect of banks (up £6m. on the month), and £7m. (unchanged) in respect of finance houses.

* Interest-bearing eligible liabilities in £m., excluding banks in Northern Ireland, was 21,135 at April 16, and 22,341 at March 19.

‡ Virtually all interest bearing.

N.B.—On February 28 the supplementary deposits scheme was suspended for the time being.

COMPANY NEWS

Henry Boot expansion

THE POLICY OF strengthening and generating growth in the trading activities of Henry Boot and Sons continued in 1974.

Funding of these activities is carefully monitored to ensure that investment income is maintained at a high level pending increasing contributions from the expanding trading activities, states chairman Mr. E. H. Boot.

In the present extraordinary economic climate he feels it would be imprudent to forecast the group's profit for 1975.

On the construction side—which makes up the largest division—the order book is at a record level and the forward work load for the year is well in line with budget.

Despite the down-turn in public and private expenditure, inquiries remain at an above-average level; and the chairman is cautiously optimistic about maintaining the level of real turnover for the year.

As regards the engineering division — which made a loss of £324,000 (£71,000) — members are told that corrective measures have been taken, but until the enlarged manufacturing facilities are in full production in the third quarter of 1975 it will not be possible to increase turnover greatly.

While the year's forecast shows a reduction in the loss position the chairman feels it is most unlikely that this activity will return to profitability until 1976 at the earliest. Nevertheless, he remains optimistic that increasing contributions to profits will be made in the long term.

Prospects for the joinery division indicate an improved turnover, but Mr. Boot says it is doubtful whether sales will fill the increased production capacity now available.

As reported April 15, group pre-tax profit amounted to £1.92m. in 1974, compared with a November prospectus estimate of some £1.75m., and with £1.95m. for 1973. The dividend is 6.5p net, against an equivalent 5.6p. For the current year it is intended to pay an interim in November and a final in June 1976.

An analysis of turnover—£31.86m. (£27.02m.)—and profit shows (£000's omitted): construction £24,045 (£20,885) and £729 (£330); engineering £1,915 (£465) and £324 loss (£71 loss); finance £754 (£735) and £712 (£721); joinery £3,868 (£3,998) and £72 loss (£471 profit); plant £608 (£556) and £11 (£86); property £667 (£378) and £350 (£199); and parent company finance charges to subsidiaries £515 (£219).

Based on an independent valuation in 1974 the directors feel that the market value of group interests in land held as fixed assets and as rented properties and freehold reversion exceeds book value by £5.02m.

The report discloses that two directors have waived emoluments amounting to a total of £31,707 (£35,456).

Meeting, Sheffield, May ..., noon.

Church sales well ahead

At the annual meeting of Church and Co., group of shoe makers and retailers, the chairman, Mr. Ian B. Church, reported that retail sales were well ahead in the first quarter, and "buoyant" in the past two ... as a result of the fine weather.

Only a small proportion ... women's factory was on a ... day week and both the ... factory at Northampton and ... Cheaney factory were ... full time and on overtime.

Export sales, including the Europe, were "excellent" ... there was a "very distinct improvement in operations" ... U.S., Mr. Church said.

Federated Land holds sales

At the annual meeting of Federated Land and Building, the chairman, Mr. J. H. P. Meyer, said the uncertainties regarding housing and property ... were as great as ever ... was dependent upon what ... economic situation improved or deteriorated.

However, the company's ... sales which improved ... second half of last year ... maintained during the first ... months of 1975, and if this ... was maintained the result ... be an increase in turnover this year, he reported.

Profit margins were ... squeezed continually by ... costs but if interest rates ... rise significantly during ... of this year there should ... "helpful" reduction in ... costs, Mr. Meyer added.

ANGLIA TV

At the extraordinary meeting ... Anglia Television, the proposed change of name to Anglia Television Group was approved.

The certificate has now been issued by the Department of Trade authorising the change.

HARTLEY BAIRD

The directors of Hartley Baird have asked Lloyds Bank to appoint a Receiver to the subsidiary company, Tenapl...

COMPANY NEWS

Eagle Star grows in Europe

EMIUM INCOME of Eagle Star urance Company from the EEC untries now exceeds that from y other territory except the U.K. tes chairman, Mr. Denis Moun- n, in his annual report. Euro- an operations, including invest- nt income, made a substantial ntribution to the overall profit 1974.

The 1974 accounts show that the , annuity and pension fund rose m £586m. to £638m. Premium come was £9m. higher at .3m., while investment income reased by nearly £6m. to £49.7m. e fire, accident and motor count had an overall loss of 9m., despite premium income ing £15m. higher at £158m. The arine, aviation and transport count showed an increase in the nd from £21.5m. to £23.2m. after transfer of £0.3m. to the profit d loss account.

Mr. Mountain reports that the erall experience overseas im- oved substantially with better derwriting performances com- from almost all territories. erseas underwriting losses were re than covered by overseas estment income. The most en- uraging result came from South rica where a record underwrit- g profit was achieved, thanks to buoyant motor account. Aus- lia was the most unprofitable rritory with the Brisbane floods d the Darwin cyclone affecting e 1974 results.

The chairman refers to the cision to cease operations in nada, which the company erated jointly with Pearl surance. This took effect from e beginning of this year and e Pearl has made arrangements r the running off of the account.

The report shows that the vestment income of the share- lders' funds rose by 32 per cent. 1974 partly because a greater rtion of the funds were held liquid form due to the uncer- inties in the financial sector. r. Mountain said that the com- ny was increasing its portfolio stock exchange and property vestments this year.

Mr. Mountain referred to the pital base of the company which ving to a statement in the Mono- lies Commission report on the mpany's proposals for Sunley d Grovewood causing specula- on in certain quarters on the rength of this base. At Decem- ber 31, 1974, the balance-sheet values of the group's capital and free reserves represented over 21 per cent. of non-life premium income. At present capital values and including the acquisition of Grovewood this value was in excess of 45 per cent. without account of shareholders' interest in the life fund.

Referring to the Policyholders Protection Bill and the insurance companies that found themselves in difficulty in 1974 the chairman says that Eagle Star was approached in a number of cases for assistance and in only one did the directors decline to become in- volved. Of the present proposals he feels that while there is merit in a measure of protection for policyholders, he can see no justi- fication for the enforced rescue of companies that were funda- mentally inviable.

The scheme, if implemented, would impose unfair burdens on shareholders and policyholders of soundly managed insurance com- panies. The insurance industry had an impressive record of participating in rescue operations which was too often overlooked.

Meeting 22 Arlington Street, S.W., May 30, at noon.

Chairman's statement Page 23

Good order books at GHP

FOLLOWING THE pre-tax profit increase of G.H.P. Group from £768,000 to a record £934,000 in 1974, chairman Mr. Dermot de Trafford reports that all com- panies within this metallurgical, mechanical and electrical engineering group have started 1975 with very large order books.

He has no reason to be pessi- mistic regarding the outcome to 1975 and says the present out- look suggests a "modest" improvement in net profit may be achieved.

As reported, net profit increased from £422,000 to £480,000 last year, after tax up from £344,000 to £454,000 and a final dividend of 4.27p net makes a maximum permissible 6.72p (6.195p).

He adds: "In view of our favourable cash position and our confidence in the long-term de- mand for the group's products we are actively proceeding with our investment programme."

Chairman's statement Page 2

Downturn at Collett Dickenson

AFTER £215,965 (£255,989) at mid- way, pre-tax profit of Collett, Dickenson, Pearce International, the advertising agency, totals £622,834 in 1974, down from £717,979 the previous year. The directors report that current trading is "satisfacory."

Dividend total is 2.454035589p per 10p share, against 2.262275p previously, the maximum per- mitted, with a final of 1.2868996p.

Tax takes £370,683 (£419,267) leaving £252,171 net (£299,712). After minorities of £7,001 (£16,404), attributable profit is £245,170, compared with £282,308.

● comment

Collett, Dickenson's 1974 perform- ance—profits 13 per cent. lower pre-tax—compares very favourably with other recent results from the advertising sector and this says much for the group's policy of avoidance of highly volatile areas, such as consumer durables. CD's volume of billings remained static throughout last year while new business was scarce. The general advertising outlook has changed little so far in 1975 but CD has managed to increase its share of the available new business. It has acquired seven major new con- tracts already and although there has been no real improvement in business from existing accounts the group, which still has a rela- tively strong liquid position looks set to achieve a measure of re- covery in 1975. At 25p, the shares are getting some support from a 15.9 per cent. yield, covered just over three times.

"Pru" invests £96m. less

NET NEW investment of the Prudential Assurance Company's U.K. insurance funds fell from £152m. to £56m. in 1974.

Chairman Mr. K. A. Usherwood explains that the reasons behind the reduction were the decision to allow a substantial increase in uninvested cash, the fall in new single premium business, and the repayment of foreign currency loans used to finance overseas equity investment.

In the U.K. new equity invest- ments totalling £8m. were made, but there was a net disinvest- ment of holdings of overseas shares held by the U.K. insurance funds.

Net investment of £67m. was made in property, about half in the purchase of existing properties and half in financing new develop- ments, says the chairman.

The company has declared an increased rate of reversionary bonus for U.K. Ordinary branch assurances. The rates of terminal bonus in both U.K. Ordinary and industrial life branches have been maintained at the same levels as last year for the appropriate year of issue. Terminal bonuses are not primarily determined by changes in the market value of investments, and "our approach enables us to avoid wide fluctua- tions from year to year," says the chairman.

Commenting on the Govern- ment's proposed Guarantees Scheme to protect policyholders in insurance offices in difficulties, Mr. Usherwood says that the intention to permit the scheme to assist companies without any reduction of benefits is "particu- larly objectionable." In his view this "would encourage irrespon- sible competition, and would mean that the consequences of the mis- management of an insurer would be met by the policyholders of well-managed insurers"

Chairman's statement Page 22

Cartwright cautious

The annual meeting of R. Cart- wright (Holdings) was told by chairman Mr. J. D. Northam that the subsidiary companies were operating profitably at the moment although in some cases on a reduced scale compared with last year, as the recession in the house-building industry was only just beginning to level out.

"We anticipate that the improv- ing trend in this industry will, however, continue in the remain- ing months of the year but it is almost impossible in the present industrial climate to forecast with any degree of confidence the likely course of events, even a few months ahead," he added.

Meeting Page 20

Smith & Nephew improves

IN THE 12 weeks ended March 22, 1975, taxable profits of Smith and Nephew Associated Com- panies improved by 7.1 per cent. from £2.67m. to £2.86m., on ex- ternal sales 20.6 per cent. ahead at £27.51m.

The profit was struck after heavier loan stock interest of £213,000 (£138,000). After tax and minorities the balance attribut- able emerges at £1.55m., against £1.43m.

The difference in the loan interest charge is due to the issue of £4m. additional loan stock for part of the cost of acquisition of the Gala Cosmetic Group in May 1974. The interest on this was retrospective to January 1, 1974 but was not charged in the results for the first 12 weeks of 1974.

For the year ended December 28, 1974 group pre-tax profits showed an advance from £10.2m. to £11.73m., and dividends up from 1.6584p to 1.8382p were paid.

	1975 £000	1974 £000
External sales*	27,509	22,809
Operating profit	2,821	2,647
Associates profits	253	162
Making	3,074	2,809
Loan interest	213	138
Profit before tax	2,861	2,671
Taxation	1,302	1,210
Minorities	6	36
Attributable	1,553	1,425

* Excluding sales by associates.

The second interim report covering the 24 weeks ending June 14, 1975 will be issued in mid-August.

The group is involved in the manufacture of surgical, medical and sanitary products, paper, textiles, toiletries and plastics.

● comment

Smith and Nephew's growth trend has now slipped over the last two quarter's with profits only 7 per cent. higher in the first three months following the decline from 17 to 9 per cent. in the latter period of 1974. The high level of borrowing at the year-end has naturally been a burden, forcing interest charges, excluding the convertible stock, up by £150,000. On the trading front there has been little change in the pattern seen last year, with the home market fairly dull and most activity centred around exports and overseas operations—although here the first quarter is the least important period—and the associated companies, namely British Tissues. Smith and Nephew's chances of bucking the current profits trend would seem to lie in its ability to keep working capital requirements at a realistic level. At the moment borrowing remains at around the 1974 year- end level which, allowing for lower interest rates, should mean that the burden becomes pro- gressively less through the year. The shares, therefore, are not without some support, at 50½p where the yield is 5½ per cent.

Investor's Gold Index

By Christopher Hill

A service enabling investors to take a direct interest in the rise or fall in the price of gold is being launched in London to- day. Called the Investor's Gold Index (the I. G. Index) it works on the principle that investors can buy or sell "units" of gold at prices based on the current dollar price of the metal.

The investment period is for 28 days (which may be extended) and for every point which the price goes up or down in dollars, the owner of one unit makes or loses £1 sterling. The minimum investment is 10 units (the initial maximum is 100) and a deposit of £25 per unit is required on opening a position.

The investor can close his posi- tion at any time within the 28 days and take his profit or pay his loss. No capital gains tax is payable on a gain and there are no charges or commissions—the managers take their profit from the spread between the buy- ing and selling prices. Betting Tax is paid by the I. G. Index and not the client. But if the price of gold falls by 15 points or more at any London Fixing the client may be called upon to provide a margin of £15.

The company which has launched the I. G. Index has a paid-up capital of £100,000 and the two directors are Mr. J. S. Wheeler and Mr. T. F. Richter. Both are former merchant bankers, the one with Hill Samuel and subsequently J. H. Vavasseur, and the other with S. G. Warburg. Investors' deposits are lodged with National Westminster Bank.

They hope to promote the scheme mainly to stockbrokers, banks and investment managers generally — plus sophisticated individuals. Agents receive a 1 per cent. commission and there is an obvious use for the Index as an investment hedge now that the import of gold coins has been stopped. An attraction for investment managers is that they can sell the index "short."

Bristol Club closure threat

THE BRISTOL Club, a leading businessman's organisation in the city, could face closure because of an astronomic rise in running costs.

Its 308 members, who pay £30 annually, were told by the com- mittee yesterday that a decision on closing the club would be taken at the annual meeting later this month. The club, in Corn Street, dates back 100 years.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Heavy fibre losses put Akzo Fls.58m. in the red

BY MICHAEL VAN OS AMSTERDAM, May 6.

AKZO, THE Dutch chemical group, suffered a net loss of Fls.58.8m. in the first quarter of this year after having made a net profit of Fls.100.2m. in the same period last year (excluding Fls.55m. stock profits). Sales have declined by 17 per cent. to Fls.2.31bn. in the first quarter.

The company said to-day that the "extremely poor" results were due to the heavy losses incurred by most of the Akzo chemical fibres operations. There, the total operating loss had amounted to Fls.150m. in the first quarter, while sales had plumetted by 34 per cent. On balance, the results in the other main sectors of Akzo's activities had also worsened.

Addressing the annual general meeting here to-day, Akzo chairman Mr. G. Kraijenhoff was careful not to give an indication of the anticipated overall financial development for the whole of the year. But his comments on the outlook for chemical fibres—which accounted for as much as 43 per cent. of consolidated sales in 1974—made it clear that the group will be very hard pushed to remain in the black this year.

Mr. Kraijenhoff said in his speech that despite the expected recovery in chemical fibres later this year, it was certain that the first half of this year will be bad, "so that it is highly doubtful whether Akzo is able to recoup its losses in the second half." Referring to the chemical fibres position as a crisis situation which the company had not previously witnesed, the Akzo chairman said that this had prevented favourable business in chemical products and pharmaceuticals, consumer products and miscellaneous products from being reflected in the group's annual income figures. He added: "However, even these sectors are now affected by the global recession so that there is little likelihood of the good results being repeated this year."

The chemical fibres situation remained a matter of "grave concern," particularly as far as the textile fibres in Europe was concerned. He added, however, that the consumption figures suggest that in the second half of this year stocks in the textile industry in general should have fallen to such a level that demand for chemical fibres should revive.

The indications are that the U.S. — where there are already signs of a recovery—and Japan will lead this revival. Any recovery in Europe will then follow a few months later. In an apparent reference to the position of Akzo as a whole, Mr. Kraijenhoff added that it was still "difficult to predict whether on this recovery prices will also improve sufficiently for Akzo to emerge from the red in the course of this year."

To cope with the problems, Akzo repeated what it had already said after publication of the annual report last month. This was to continue extensive short-time working and to reduce personnel whenever possible, to cut maintenance expenditure and to revise capital investment plans. It had been decided, for example, to postpone the planned Indonesian chemical fibres projects.

In order not to lose export markets, Akzo was also forced to switch more production away from Holland and Germany where it had become very expensive to export from as a result of rising labour costs and the increasing strength of the respective currencies. This last point had been forcibly stressed earlier by Akzo supervisory board chairman Dr. Jan R. van den Brink (Amro Bank), who said that Dutch exports were in fact being hit by the hard guilder.

IHC expects improvement

BY MICHAEL VAN OS AMSTERDAM, May 6.

NET PROFITS in 1974 of IHC Holland, the specialised Dutch shipbuilding company, amounted to only Fls.4.4m. as a result of incidental losses on two orders. An improvement of profits for this year is forecast, however, in the company's annual report which was published in Rotterdam to-day. It added that despite the setbacks in the past two years, the management had confidence in the future.

After 1973 had been concluded with a very heavy loss on drilling rig construction activities in the U.S. which were later terminated, the report said that 1974 had been a year of consolidation. There had been some management and organisational changes while stakes in a number of companies, which did not meet the desired criteria, had been sold.

Last year, the company had, however, to absorb some more losses, although the orders involved have now virtually been completed. The company has pledged "greater carefulness" in accepting future orders where the cost development is uncertain or when the size of the orders is high in relation to the capacity of the yards where they are to be built.

An undisclosed loss on a completed order of five salvage tugs for the USSR was attributed to technical problems forcing up costs and the financial implications of delayed delivery of the vessels as a result. A loss of Fls.15m. has been suffered on an order from Viking Jersy Equipment for a giant pipelaying vessel to be delivered in the middle of this year. Here, the project was too big for IHC and so were the technical implications.

According to the annual report, the IHC order portfolio has risen to Fls.1.53bn. on December 31, 1974, from Fls. 1.07bn. on the year before, while it totals around Fls.1.49bn. at the moment.

Last year, sales by the dredging division amounted to Fls. 541m. and the offshore division's sales reached Fls.537m. The company said the demand for specialised dredging equipment was very encouraging and so was the market for offshore equipment.

The annual report said IHC proposes paying a dividend of Fls.0.50 in cash per share of Fls.10, having omitted a dividend over 1973 when the company suffered a net loss of Fls.47.1m.

Hoechst in DM600m. E. German deal

BY GUY HAWTIN FRANKFURT, May 6.

HOECHST, THE leading West German chemical group, stands on the threshold of an important breakthrough in trade with East Germany. Deals envisaged so far are worth about DM.600m., although the ultimate figure could be far higher.

Dr. Rolf Sammet, the Hoechst chief executive, said to-day that the concern had recently signed an agreement with the German Democratic Republic establishing a framework for projects on a co-operation basis in the GDR. It was expected that Hoechst would undertake a number of contracts on a turn-key basis.

In effect the West German concern will be selling its GDR counterparts, technology and know-how to reinforce the country's already impressive chemicals industry. It appears that, initially, Hoechst will be involved in the construction of three plants, all involved in the manufacture of pvc. It is understood that they are planned to come on stream in 1979. The value of the contracts is currently put at about DM.600m.

The German Democratic Republic has, in technological terms, the most highly developed chemical industry of all the Comecon nations. It is investing at a high rate and has developed an important speciality in the utilisation of brown coal—virtually its only indigenous raw material—for the chemicals industry.

But although East Germany is an important chemicals producer, Hoechst is not worried about the possibility of building up competition for itself. The concern's management feels that while there may be slight increase in competition, it can more than hold its own.

Besides there is a tremendous unfulfilled demand for PVC in the Comecon markets themselves. Production is still a long way from satisfying it.

Lesieur Cotelle loss opposed

By Rupert Cornwell

PARIS, May 6.

AFTER A brief truce, the damaging battle for control of the Lesieur oils and fats empire has flared up again—this time over the Frs.80m. (£8m.) loss reported over the week-end by the French group's major operating subsidiary Lesieur Cotelle et Associes.

To-day the rebellious Unipol/Cie de Navigation Mixte camp, headed by Mme. Jean-Louis Chancel and Marc Fournier, served notice through its Cotelle et Foucher associate, which holds 21.9 per cent. of Lesieur Cotelle, that it would not accept the 1974 accounts, which are due to be approved at a June meeting of shareholders.

To what extent, and on what grounds, the two object was not made clear to-day. The exercise rather seems intended to prove again that their interests, amounting to 42 per cent. of the Cie Financiere de Lesieur holding company and 33 per cent. of Lesieur Cotelle, have the muscle to block management decisions.

This they proved only too clearly last March, when the proposed merger with the Spanish oils group Salgado, eagerly sought by the Lesieur family and its allies the State-backed merchant bank Banexi, was called off following a court case brought by the dissidents. To-day's statement leaves little doubt that they are prepared to take the same course over the 1974 figures.

Theoretically, with a total of 51 per cent., the family and Banexi are in firm control of the Lesieur holding company, and should be able to beat off the challenge at the annual meeting, where a majority vote is sovereign, according to French corporate law.

However MM Chancel and Fournier are nothing if not determined, and the stalemate can only exacerbate the group's problems at an already delicate moment.

Appointment of Boussac nephew confirmed

By Giles Merritt

PARIS, May 6.

IN THE FACE of persistent rumours that his £85m. textiles and publishing empire may be deserted by its creditor banks, M. Marcel Boussac to-day confirmed his controversial decision to appoint his nephew as head of Comptoir de l'Industries Textile de France (CITF) holding company.

His appointment of M. Jean-Claude Boussac, nephew and heir apparent to the 86-year old cotton magnate, comes just a month after the surprise resignation of M. Claude-Alain Sarre. The issue that forced his resignation was M. Boussac's refusal to endorse a sweeping reorganisation of the ailing Boussac empire that it is believed might have entailed Jean-Claude Boussac's own departure from the CITF Board.

Backed by France's Industry Ministry, which is concerned at the possibility of serious unemployment among the 15,000 Boussac employees, M. Sarre was appointed chairman of CITF only last December. At the same time, he retained his position at the head of La Lainiere de Roubaix, principal textile company in the group belonging to M. Boussac's long-time rival M. Jean Prouvost. The implication, of course, was that having re-structured the Boussac group M. Sarre would then be in a position to arrange the merger of the two empires into a single French wool and cottons giant.

M. Jean-Claude Boussac is soon to outline his own plan for putting the group back on to an even financial gooting—at present its 1974 losses are expected to total £11m.—but it will need to be an impressive one if it is to reassure the commercial French banks whose outstanding loans to the group now stand at Frs.100m. The banks had already supported M. Sarre's rejected rescue plan, and if M. Boussac's does not convince them equally there is the risk that they may call in their loans.

Swedish Match raises dividend but fails to hit growth targets

BY WILLIAM DULLFORCE STOCKHOLM, May 6.

THE PERFORMANCE of the Swedish Match group in 1974 did not come up to expectations, although it achieved its highest yet operating profit of Kr.320m. (£34m.), the managing director, Mr. Rolf Deinoff, states in the final annual report. A decline in building activity on the group's main markets and the introduction or tightening of price controls, preventing compensation for material and labour cost rises, are spotlighted as the principal factors retarding the expected profit growth.

Invoiced sales rose by 25 per cent. to Kr.4.3bn. (£453m.), of which Kr.2.2bn. were made in the EEC countries, including Kr.1bn. in West Germany. The home market accounted for Kr.1.2bn.

The Kr.49m. increase in operating profit comes after depreciation of Kr.189m. at replacement cost. A rise from Kr.16.7m. to Kr.50.7m. in net interest costs, occasioned by heavier borrowing to offset price rises, resulted in a group profit before capital gains, special reserves and taxes of Kr.251m. against Kr.249m. in 1973. Transfers to reserves, which rose from Kr.52m. to Kr.118m., including Kr.49m. to the compulsory state investment and environment funds, further cut the net profit to Kr.61m. compared with Kr.86m. the previous year.

After deducting the minority shareholders' interest the reported net income is Kr.54m. If the compulsory transfers to state funds are restored, the net income works out at Kr.14.80 per share compared with Kr.14.70 per share in 1973. The Board proposes to raise the dividend from Kr.4 to Kr. 5 per share.

Swedish Match is now entering a phase of consolidation after several years' expansion and diversification, especially on the West German market, but also in Britain. The effects of the intensive rationalisation effort and the changes in marketing technique have yet to come through into profits. Mr. Deinoff promises to make a statement on 1975 prospects at the May 15 annual general meeting but some trends are apparent from the annual report's remarks on the separate divisions.

The drop in 1974 profits came in the four units formed last year from the old building materials division, while the other divisions, including the original match division, together recorded a 64 per cent increase in operating profit from Kr.138m. to Kr.226m. Of the four, the interior products division with total sales of Kr.764m. improved profits by 18 per cent., thanks mainly to sales of floor and wall coverings, but Swedish Match has still not succeeded in getting its new German acquisitions into trim and the furniture sector of the Kübel companies recorded a "not insubstantial operating loss." New products and a stronger sales organisation should produce better results in the interior products division this year.

The 1975 prospects are more doubtful for the three divisions—board, building components, Scandinavia and Eurodoor—which notched up profit setbacks last year, although an easing of price controls could help building components.

The match division, which now accounts for only 15 per cent. of group sales, achieved a 58 per cent. improvement in operating results last year due in part to price increases in Germany, India and Italy. Further price increases can scarcely be expected this year, so that the division's result will depend on expansion abroad, specifically in the Philippines.

The man profit-maker last year was the packaging division with a 135 per cent. improvement in operating result on sales of Kr.645m., but the annual report anticipates a levelling off in 1975 and much will depend on maintaining a high rate of exports from Sweden.

Fagersta pays dividend but sees downturn ahead

BY WILLIAM DULLFORCE STOCKHOLM, May 6.

AFTER DECIDING to pay a dividend in 1974 for the first time in four years, Fagersta, the Swedish special steels and rock-drilling equipment manufacturer, anticipates in its final annual report a considerably lower result for 1975. Orders in hand at the end of the year were Kr.630m. (£67m.), compared with the 1974 turnover of Kr.1.3bn. (£137m.), and the rate of new bookings has declined over the past four months.

Strong demand for steel products through most of 1974 and successive improvements in prices kept the concern's plants working at full capacity and produced a 14.5 per cent. rise in turnover, even after the sale of some plant. The pre-tax profit rose from Kr.68m. to Kr.168m. (£17.7m.), resulting, after a Kr.140m. rise in appropriations, to Kr.181m., in a net profit of Kr.42.3m. compared with Kr.23.1m. in 1973. The Board has recommended a dividend of Kr.6 plus a Kr.2 bonus per share, which compares with the last dividend of Kr.5 per share paid in 1970.

After the improvement in results over the past two years and the reduction in the concern's debt burden through the sale of some operations, Fagersta will start this year a five-year development programme based principally on stainless and high-speed steels and rock-drilling products. The programme provides for expenditure of Kr.400m. (£43m.), of which projects worth about Kr.125m. have already been decided on.

Strong gains by Enso

BY LANCE KEYWORTH HELSINKI, May 6.

ENSO-GUTZEIT OY, the second biggest industrial company in Finland declared earnings of F.Mks22m. (approx. £2.65m.) after taxes and depreciation in fiscal 1974, compared with F.Mks.15m. in 1973.

The chairman's statement notes that "the year 1974 is to be reckoned among the company's best years during the past three decades." This was due primarily to the steadily rising level and firm demand for paper and packaging products.

Enso's consolidated net sales came to F.Mks.2.29bn., an increase of 51.8 per cent. on 1973. The paper division's sales increased by 50.7 per cent. to F.Mks.1.36bn., and the corresponding figures for the packaging division were 58.3 per cent. and F.Mks.240m. The only division that experienced difficulties was the wood products division and even that increased its turnover, largely thanks to the exceptionally high price of sawn goods.

The result for the engineering division was satisfactory and the marine division (33 ships sailing under the flag of Oy Finnlines) increased its turnover by 68.5 per cent. to F.Mks.289m. In spite of the weakening of the main freight currencies, the dollar and sterling. Eurocan Pulp and Paper of Canada in which Enso has a 50 per cent. interest, increased its sales by 28.8 per cent. to F.Mks238m.

Investment expenditure totalled F.Mks.245.5m. Enso raised its share capital during 1974 from F.Mks.191.3m. to F.Mks.239.1m. and declared a dividend of 9 per cent. for the fiscal year.

Coors loses private status

BY JAY PALMER NEW YORK, May 6.

A FASCINATING glimpse into the workings of one of America's fashionable and large brewers has been provided by Alfred Coors' decision to give up its 102-year-old private status and seek outside financing with a forthcoming public sale of 32 per cent. of its non-voting equity.

In terms of its 1974 total production of 12.3m. barrels, Coors is the fourth largest U.S. brewer. Its 8½ per cent. of the total U.S. market leaves it ranking behind Anheuser-Busch, Schlitz and Pabst. But, despite its size, the company's product is really known only by its reputation outside some 11 Western States.

For various, not terribly convincing reasons, Coors confines its marketing and distribution to the Rocky Mountain States where the company has near-complete market domination. While a few Coors aficionados (including President Ford and Henry Kissinger) are supplied direct, the only shippers elsewhere in the U.S. are bootleggers making deliveries at fantastic price premiums — a case costs over $18 in New York against $5 in Denver.

Following the public issue, some 30m. non-voting shares and 1.26m. voting shares will remain in family and employee control. The sale of 4.1m. class B share (through Dillon Read at $28 a share) is aimed to raise about $115m. At least $80m. of this will go towards doubling production, a move that would lift the company to second place in the market and might result in a wider distribution policy.

The preliminary information contained in the company's filing with the Securities and Exchange Commission contains just enough information to suggest that the shares may go to a good market premium. On 1974 earnings per share, adjusted downwards by 24 cents, to $1.16 by an accounting change, the $28 suggested issue price is asking a multiple of 24¼.

The company's fully integrated status (it has its own barley fields) works to contain costs and while this year's sales growth is coming from higher prices on lower volume, earnings should be well up this year. But while Coors has a lot going for it, the issue also faces some hurdles.

Recent publicity has not been too favourable with the Washington Post running a series explaining how senior Coors management are financially backing change, the $28 suggested aimed at defeating "100 radicals" in the 1976 polls. There was also widespread publicity giving to a lawsuit against the company by an employee dismissed for refusing to take a lie-detector test.

U.S. Steel expects decline

● U.S. Steel earnngs for the second quarter will not be as high as the first quarter net of $3.36 a share, chairman Edgar B. Speer told a Press conference prior to the annual meeting. He said the lower net would result frim expected lower shipments due to inventory build-up by its customers in 1974.

● Rexnord is paying a quarterly dividend of 28 cents per share.

● Ogilvy and Mather International gross income for the three months to March 31 rose to $21.13m. ($17.68m.). Net income increased to $722,267 ($641,112) and earnings per share to 40 (35) cents.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Amax 8½pc 1986	98	99
Ashland 8pc 1987	90½	91½
Austraswiss 8pc 1987	90½	91½
BFCE 8pc 1989	95½	96½
Borregaard 8½pc 1989	93½	94½
Carrier 7pc 1987	89	90
Conoco 8pc 1986	94½	95½
Consd. Foods 7½pc 1991	83	84
Cutler Hammer 8pc 1987	90½	91½
EIB 9½pc 1995	100½	101½
Esso 8pc 1986 Nov.	95½	96½
General Cable 8½pc 1987	86	87
General Motors 8½pc 1986	100½	101½
GTE 8½pc 1986	95½	96½
ICI 7½pc 1992	76	78
Nat. Grindlays 7½pc 1987	76	78
Pacific Light 8pc 1988	89½	90½
Prov. of Quebec 7½pc 1988	87	88
Quebec Hydro 9½pc 1989	93½	94½
Queensland 8½pc 1987	88½	89½
Scanraff 8½pc 1988	93	94
Shell 8pc 1986	93½	94½
Standard Oil (Ind.) 8½pc '89	97½	98½
Tenneco 7½pc 1987	82½	83½
Transocean 8pc 1986	94½	95½
TRW 8½pc 1986	92½	93½
Utah 6pc 1987	88½	89½
Volvo 8½pc 1985	98½	99½
NOTES		
Air France 9½pc 1977	100½	101½
Aust. Ind. Dev. 10½pc 1981	103	104
Barclays 7½pc 1978	97	99
Cie Ntl. du Rhone 10pc '82	102½	103½
Du Pont 7½pc 1976	99½	100½
Esso 7½pc 1978	99½	100½
General Motors	100½	101½
Marubeni 9½pc 1982	100½	101½
Nippon Fudosan 10pc 1981	102½	103½
Strand. Enskilda 10½pc 1981	103½	104½
Tenneco 7½pc 1979	96	97
Tokyo Curacao	102½	103½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	82	84
Ashland 5pc 1988	74	76
Beatrice Foods 4¼pc 1992	84	86
Beatrice Foods 4½pc 1992	95	97
Borden 5pc 1992	89	91
Broadway Hale 4½pc 1987	68	70
Canon Camera 7½pc 1989	92	94
Carnation 4pc 1987	57	59
Chevron 5pc 1988	89	91
Dart 4½pc 1987	82	84
Eastman Kodak 4½pc 1988	117	119
Economic Labs. 4½pc 1987	81	83
Fedai 7½pc 1989	106	108
Ford 6pc 1986	81	83
Ford 5pc 1988	73	75
Fuji 6½pc 1985	113	
General Electric 4¼pc 1987	82	84
Gillette 4½pc 1987	78	80
Gould 5pc 1987	79	81
Halliburton 4½pc 1987	126	128
Harris 5pc 1992	67	69
Hitachi 6½pc 1984	110	
Honeywell 6pc 1986	73	75
ITT 4½pc 1987	69	71
Komatsu 6½pc 1984	166	
J. Ray McDermott 4¾pc '87	126	128
Mitsui 8½pc 1989	100	102
J. P. Morgan 4¾pc 1987	124	126
Motorola 4½pc 1983	134	
Owens Illinois 4½pc 1987	85	87
J. C. Penney 4½pc 1987	88	90
Pioneer 6½pc 1989	112	114
Rand Selection 5½pc 1986	104	106
Rank 4½pc 1993	42	44
Revlon 4½pc 1987	99	101
Sperry Rand 4¼pc 1987	95	97
Squibb 4½pc 1987	95	97
Toshiba 6½pc 1985	125	
Union Carbide 4½pc 1982	116	118
Warner Lambert 4½pc 1987	89	91
Warner Lambert 4½pc 1988	82	84
Xerox 5pc 1988	76	78

Source: Kidder, Peabody Securities.

BMW cuts dividend

By Guy Hawtin

FRANKFURT, May [...]

SHAREHOLDERS IN [...] Bayerische Motoren Werk[e] (BMW) one of the lead[ing] West German luxury mo[tor] manufacturers, face a hea[vy] cut in dividend for 1974. T[his] follows slim profits as a res[ult] of a particularly diffic[ult] business year.

The BMW management [an]nounced in Munich to-day [...] that the annual meeting [...] being asked to agree a di[vi]dend of DM7 per D[M50] nominal share. This 14 [per] cent. dividend compares w[ith] the 18 per cent. paid for 19[73]. Dividends for 1971 and [...] totalled 12 per cent. and 18 [per] cent. respectively.

One factor in the divid[end] reduction is the substantial [in]crease in share capital qual[ify]ing for 1974 earnings. It [...] up from 1973's DM275m. no[mi]nal to DM300m.

But above all, the prob[lem] was the drop in demand [...] the concern, together with [...] German motor manufactur[ers] experienced last year. In [Feb]ruary BMW announced tha[t] 1974 turnover, at DM2.4[...] was 4 per cent. down on [...] year before. Delive[ries] declined by 5 per cent.

The company was in Fe[bru]ary, still predicting a diff[icult] year despite a consider[able] pick up in business. This [im]provement, registered thro[ugh]out the motor industry, [has] been sustained for the [...] month of the year. E[...] demand has steadily [...] returning to more no[rmal] levels although exports re[main] weak. It is in the overseas [mar]ket that BMW feels the [...] test lies.

Norsk Hydro to float Kr.200m. issue

By Fay Gjester

OSLO, May [...]

NORSK HYDRO, [...] Norwegian oil and indu[strial] concern, plans to flo[at a] Kr.200m. bond issue on [the] European market shortly [to] help finance its on-shore [and] offshore petroleum activ[ities], the company said to-day.

In a TV interview to-[day] Hydro managing dir[ector] Johan Holte said that estim[ates] of capital needs had [risen] steeply as a result of infl[ation] and the concern now reck[oned] it would have to raise Kr.5bn. over the next [...] years. It expected to be [able] to raise about one-third o[f this] on the home market, but [would] have to go abroad for the [rest]. For this reason Hydro [is] seeking to make itself "a[s well] known as possible" in f[oreign] financial centres.

Haw Par earnings up

HAW PAR Brothers I[nterna]tional, the Singapore [...] house, announced unaudite[d pre-]tax trading profits [of] S$25.108m. for the year [to] December 31, 1974, com[pared] with S$20.748m. as repor[ted for] 1973. Profits after tax, [mino]rities and extraordinary [items] amounted to S$14.572m. [com]pared with S$15.186m. [re]ported in 1973.

As indicated earlier i[n the] year with effect from Jan[uary] 1974 the directors adop[ted a] policy of equity accounti[ng for the] group's principal ass[ociates]. Accordingly, the comp[arative] figures in the 1974 accoun[ts will] be restated to reflect this, giving 1973 profits before [tax of] S$24.23m. and 1973 profit [after] tax and minorities of S$[...]

PROFITS DOWN 38% IN JAPAN

By Peter Duminy

TOKYO, M[ay ...]

JAPANESE CORPORATE [earn]ings on average dropped [...] cent. in the six months [to] March 31, compared wi[th the] corresponding months of [...] according to an analysis [...] 41 per cent. of companies [...] reported by May 2.

Japan still active at wool sales

SYDNEY, May 6.

THE RESURGENCE in Japanese buying continues to underpin the improving market for Australian wool, according to the National Council of Wool Selling Brokers, reports Reuter. The council said over the past month Japanese purchases had risen from a weekly average of less than 25 per cent. of offerings at Australian auctions to almost 40 per cent.

Trade sources said Japan bought about 42 per cent. of the 8,059 bales offered in Melbourne yesterday. The Australian Wool Corporation (AWC) bought 2.5 per cent.

The AWC's 21-micron clean price market indicator rose 2 cents to 282 cents a kilogram, 12 cents above the floor level.

At to-day's sales in Sydney and Melbourne prices were again higher and the AWC bought 3 per cent. and 2.5 per cent. of the offerings respectively.

Latest figures show Japan bought 114,132 bales of wool from Australia in March this year compared with only 48,885 bales in March 1974. In the first nine months of this season Japan bought 563,577 bales against 600,496 in the same period last season.

Japan exports soyabean meal

TOKYO, May 6.

JAPAN IS exporting cut price soyabean meal, mostly to South-east Asian countries, to reduce large stocks resulting from a slump in the domestic livestock industry, according to trade sources here, reports Reuter.

The sources said about 6,000 tonnes of soyabean meal had been exported in the first quarter of 1975 with half of this shipped in March. Another 10,000 tonnes or more were reported to have been shipped last month. Export prices were nearly 20 per cent. below the current domestic price of Y54,670 per tonne, they said.

Yoshihara Oil Mill said it sold about 2,000 tonnes of meal to Asian markets including the Philippines and Malaysia during January and February, but is not currently exporting meal because of price problems. The Agriculture-Forestry Ministry confirmed national stocks of soyabean meal reached 140,000 tonnes at end-March—double the normal level.

It said crushing mills had been cutting oil production by 20 to 30 per cent. to prevent meal stocks from increasing futher.

Other major oil makers including Nisshin Oil Mills denied they were involved in the reported soyabean meal exports. But the Ministry said some crushers had to export meal so they could maintain oil production.

Move to cut price of U.K. refined sugar

BY JOHN EDWARDS, COMMODITIES EDITOR

A CUT in the future price of sugar sold in the U.K., to make it competitive with supplies from the EEC and the world market, will be announced by the Government before the end of this week. The Ministry of Agriculture confirmed yesterday that it had now decided to go ahead with the introduction of a system of forward quotations of the equalised price for U.K. refined sugar from the end of September onwards — the period when supplies from the European beet crop will be forthcoming — so that U.K. refiners can compete with offers from suppliers outside Britain — notably the rest of the EEC.

Beet crop

The statement added consideration was also being given to the most effective means of maintaining the competitiveness of U.K. supplies in the period up to October and a statement about price policy would be made shortly.

The Ministry gave advance notice in March that it was considering making U.K. sugar prices more competitive by subsidising U.K. cane refiners, who have been forced to pay £260 a ton for raw sugar imported mainly from Commonwealth countries under the deal hammered out in February after lengthy negotiations by Mr. Fred Peart, Minister of Agriculture.

There have been increasing difficulties in disposing of U.K. refined sugar, sold at the Government fixed ex-refinery price of £285 a ton, in a market where demand has been badly hit by the sharp rise in price. Recently, the collapse in world market prices, and the prospect of a much larger EEC beet crop, encouraged by the recent better weather, has brought more tempting offers to British consumers buying for forward delivery after September, at rates well below the present U.K. ex-refinery price.

Unless some action is taken to make British refiners' prices more competitive, the U.K. could be faced with the prospect of large imports especially from the EEC and the problem of disposing of surplus sugar bought at much higher price levels.

How far the U.K. equalised ex-refinery price will have to be cut from October onwards to be competitive remains to be decided after consultation with the trade. But in March it was suggested that the retail price could well be reduced by 7.5p from its present level of 28-30p a 2-lbs bag. The EEC threshold price for refined sugar is due to rise to about £184 a ton from July 1 and the intervention level to nearly £163, so theoretically the U.K. ex-refinery price should be near these levels to be competitive, bearing in mind costs of transport. The new equalised price will be subject to variation, depending on the state of the market, but the basic objective will be to discourage imports from any other sources than the cane supplies from Commonwealth countries.

It is understood the U.K. refiners will be meeting to-day to consider the situation. Trade sources are alarmed at the fall in U.K. demand for sugar, which some people put as high as 20 per cent. from the previous annual consumption of some 2.6m. tons.

However, a 10 per cent. reduction is considered to be a more reliable estimate.

London talks

Meanwhile, the London daily sugar price on the London terminal market was cut by £18 yesterday to £180 a ton, its lowest level since January, 1974. In the futures market, however, prices held steady, closing slightly higher, after a report that hopes of a record U.S. beet crop had been hit by bad weather delaying plantings. Earlier, the market was depressed by suggestions that Soviet sugar beet planting was well advanced.

In London yesterday the latest round of discussions to re-negotiate the International Sugar Agreement were resumed.

Two main working groups will meet until Thursday to study the latest ideas on price references and an intervention stock.

Reuter reported that current proposals for an international stock envisaged establishing a guaranteed minimum price which would be protected by buying.

U.S. wheat exports trailing

WASHINGTON, May 6.

ACTUAL EXPORTS of U.S wheat during the remaining eight weeks of this market year will need to average about one-third higher if total exports for the full season are to match the Government's projections, reports Reuter.

Conversely, unless maize exports slow down at the same rate in the remaining 21 weeks of this marketing year, they will exceed the official forecast substantially.

The U.S. Agriculture Department weekly export inspection data up to May 2 shows that since the season started last July 1, wheat exports have averaged only 19.4m. bushels a week.

To attain the officially projected 1974-75 season exports of 1,100m. bushels average weekly exports of wheat as grain between now and end-June will need to rise to 26.1m. bushels. Maize exports since the season began last October 1 have been averaging 23.2m. bushels a week. To meet the present official projection of 1,075m. bushels for the full season, average exports for the remaining 21 weeks will need to drop to 16.9m bushels.

With 17 weeks left this season, Department inspections show soyabean exports running just over 22 per cent. behind last season's level, fractionally below the latest official projection.

India studies jute relief

NEW DELHI, May 6.

MR. V. P. SINGH, Indian Deputy Minister of Commerce, has told the Indian Parliament the Government is studying additional relief for the jute industry.

Mr. Singh said there was a 54 per cent. fall in registration of jute goods export contracts from January to March compared with the same period last year. Carpet backing, and Hessian had been worst affected.

The Reserve Bank of India has given temporary relief by increasing credit limits on finished goods for export.
Reuter

U.K. BUYS MOST ARGENTINE BEEF

BUENOS AIRES, May 5.

Britain bought more Argentine meat last year than any other country despite EEC beef import restrictions, according to the National Meat Board's Records.

They show Britain imported $90.1m. worth of Argentine meat in 1974. Meat exports to the U.S. and West Germany—Argentina's other top customers—totalled $86.35m. and $53.87m. respectively.
Reuter

Threat of more violence over egg imports

BY RICHARD MOONEY

THREATS OF further violence in the battle against the importing of cheap French eggs into the U.K. have been made following the destruction of a lorry-load of imported eggs on the A38 near Beare, Devon, on Monday night. The incident, involving about 30 people, was thought to be part of a farming industry protest campaign against French egg imports.

The protesters overtook the lorry and forced it to a halt. When the driver refused to return to Plymouth with his load they smashed or damaged 30 cases of eggs with crowbars.

The violence was condemned by the U.K. Egg Producers' Association. "We sympathise with egg producers, but we cannot condone violence in any way," said Mr. Keith Pulman, the secretary. "The egg producer who phoned me about the incident said there would be other such incidents, and we certainly cannot back this sort of thing."

Devon County Council workmen clear away French eggs taken and smashed from a lorry hijacked near Exeter on Monday.

Many U.K. egg producers have been in financial difficulties for some time because of rising costs and depressed prices and some have gone out of business. A large part of the blame for this situation has been levelled by producers at the import of cheap foreign eggs — particularly from France—which they claim have been undermining their market. Although no official charge of "dumping" has been made U.K. producers have alleged that French producers have been receiving production subsidies, contrary to EEC regulations. British farmers have also criticised marketing techniques under which imported eggs have not been clearly differentiated in the shops from the home product.

Producer protests have been going on for some months and have already taken the form of mass marches, lobbying of MPs and port blockades. But this latest action marks a new level of desperation in the campaign.

In another protest action on Monday an egg lorry broke through a farmers' cordon at Plymouth and 70 farmers blocked a ferry access road at Southampton.

Support for rubber stock plan

BY OUR OWN CORRESPONDENT

KUALA LUMPUR, May 6.

A EUROPEAN financial group has offered to finance Malaysia's proposal for an international rubber buffer stock and a Western European Government has indicated willingness to give similar assistance, Datuk Musa Hitam, Malaysia's Primary Industries Minister, said here to-day.

Declining to identify the private financiers or the government concerned, he said he would discuss the offers with other members of the Association of Natural Rubber Producing Countries (ANRPC), Indonesia, Singapore, Thailand and Sri Lanka, soon.

The offers were made during his recent visit to Britain, West Germany and Holland to seek support for the stockpile scheme.

Datuk Musa described the two offers as "very heartening and encouraging" as they demonstrated the confidence of consuming countries in the viability of our proposal."

It is understood that the European financial group had offered a loan to get the stockpile scheme going, and payments for the loan would be made through the profits from operating the scheme, which would be run along the lines of the tin buffer stock of the International Tin Council.

At a meeting in Kuala Lumpur in March, Malaysia, Indonesia and Thailand, which together produce 75 per cent. of the world's natural rubber, agreed to set up the rubber stockpile, and to operate "supply rationalisation measures" to stabilise the price of the commodity. This morning, Datuk Musa opened an expert group meeting of the ANRPC here which would go into the proposals in greater detail over the next three days.

The 30 experts will work out the organisational, financial and operational set-up and the quantum of the rubber stockpile, as well as the manner in which the supplementary supply rationalisation measures should be introduced.

Sources at the meeting said two formulae were used to work out the quantum of the rubber stockpile, and both arrived at the figure of around 350,000 tons (or 10 per cent. of the current world's production) with an expected cost of £110m.

At to-day's meeting, Datuk Musa reiterated Malaysia's willingness to commit $M300m. (£55m.) to help launch the buffer stock plan, and said other ways were being actively sought to finance the plan.

New bacon curing process

BY PETER BULLEN

BY THE END of August bacon cured by a new process is to be test-marketed in shops in Southern England, the British Bacon Curers Federation said yesterday. The new method will help cut curing costs and may also improve the quality of Wiltshire cured bacon for consumers.

Scientific and technical staff employed by the federation have developed the new method which operates the most up-to-date process of injecting brine into the meat with a multi-needle machine plus one of the oldest curing techniques—covering the surface with dry salt.

Covering with salt can now be done by machine spraying which makes it more adaptable to to-day's conveyor-belt technology in bacon factories and dispenses with the need for submerging whole sides of bacon in tanks of brine for five or six days.

For the curer it offers savings on labour, storage space and the time the bacon would have spent in the brine tanks. For consumers, it could provide better flavoured bacon in which the salt has been more evenly distributed.

The new process is still being developed at the federation's laboratories at Tring, Herts, and in a bacon factory. A new dry salt spraying machine is soon to be installed in another factory to produce bacon for shop trials. Mr. N. Harrison, the federation's technical manager, said he is optimistic that the trials will show that the new method gives bacon an even longer shelf life than present methods.

Yesterday the federation also published its amended codes of practice which govern the quality standards of all Wiltshire cured bacon qualifying to carry the British bacon strip mark.

About 75 per cent., or 1,000 tons a week, of British Wiltshire bacon is now being branded with the quality symbol. The uniform high standard of the product had helped home producers win a bigger share of the British market, claimed Mr. Christopher Arnold, federation marketing manager. Since 1968 U.K. producers had increased their share of the market from 35 per cent. to 45 per cent.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Rallied but closed below the day's highest on the London Metal Exchange. The recovery in the U.S. market overnight prompted an upward movement in pre-market trading which was followed by influential buying which

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	536.5-7	+8	533-.5	+5.5
3 months	555.5-6	+7	551.5-2	+5.5
Settlem'nt	537	+8	—	......
Cathodes				
Cash	525.5-6	+5.5	522-3	+5
3 months	544-5	+7.5	540.5-1.5	+5.25
Settlem'nt	526	+5.5	—	......
U.S. Smt.	—	......	*63.70	......

itself prompted short-covering and stop-loss buying. Modest West German interest was also reported. Forward metal rallied to £555.5 before easing back to £540.5 on the afternoon Kerb owing to trade selling and a disappointing opening to Comex. In inter-office dealings, however, the price rallied afresh to £552. Turnover, 11,125 tonnes.

Amalgamated Metal Group reported that in the morning, cash wirebars traded at £532, 37, 36.5, 37; early-June £540; late-July £547; three months £549 to 56. Cathodes: Cash £525.5; three months £545. Kerb: Bars: Three months £556.5, 55, 54. Afternoon: Wirebars: Cash £533; three months £554 to 51, 51.5. Cathodes: Cash £522. Kerb: Wirebars: Three months £551.5 to 49, 49.5.

TIN—Irregular. Forward metal was initially lower owing to renewed hedge selling before it later recovered following covering purchases thought to reflect physical demand. High grade cash metal was again held at £2,960 by what was thought to have been buying on behalf of the buffer stock manager. Turnover, 810 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	2960-2	—2.5	2962-4	+.5
3 months	2985-7	—20	2988-90	—5
S'ment	2962	—2	—	......
Standard				
Cash	2958-60	—4.5	2962-4	+3.5
3 months	2985-7	—20	2988-90	—5
S'ment	2960	—4	—	......
Straits E.	‡8935	......	—	......
New York	—	......	*342.00	+3

Morning: Cash £2,962, 60, 58; three months £2,992 to 85. High Grade: Cash £2,960. Kerb: Standard: Cash: £2,960, 62; three months £2,987, 90. Afternoon: Standard: Cash £2,962, 60; mid-July £2,985; three months £2,988, 90, 89, 88, 89, 88. High Grade: Cash £2,960.

LEAD—Little changed on balance. Renewed influential buying of cash metal, again thought to have been on producer account, pushed that price up to £193 at one time, in the face of heavy offerings before it subsequently eased to close at £190. Forward metal held steady all day. Turnover, 6,075 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	192-.5	+2.5	190-.5	—.75
3 months	185-.5	—4.5	185-.5	—.5
S'ment	192.5	—2.5	—	......
N.Y. Spot	—	......	*24.50	......

Morning: Cash £190 to 93, 92.5, 92; mid-May £190; three months £186, 85.5, 85. Kerb: Cash £192; three months £185.5. Afternoon: Cash £191; early-May £190.5; three months £185.5. Kerb: Three months £185.5, 85, 84.5.

ZINC—See-sawed. Heavy selling of both cash and forward metal pushed the former price down to £317 at one time with forward trading at £305.5. Support buying of cash metal later steadied the market and that price picked up to £319 and forward rallied to £309. Turnover, 4,575 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	317-8	—8.5	318-22	......
3 months	306-7	—6.5	308-.5	—1.25
S'ment	625	—8	—	......
Prm. West	—	......	*58.40	......

Morning: Cash £322, 20; three months £312 to 06. Kerb: Cash £317; late-May £313; three months £305.5, 07. Afternoon: Cash £319; three months £308. Kerb: Three months £309.

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

SILVER

Silver was fixed 2.5p an ounce higher for spot delivery in the London bullion market yesterday, at 186.5p. U.S. cent equivalents of the fixing prices were: spot 436.4c., up 6.0c.; three-month 441.5c., up 6.4c.; six-month 447.7c., up 6.0c.; and 12-months 464.1c., up 7.5c. Business was moderate. The spot price opened at 185.5-187.0p (435-438c.), and trended upwards over the day, to close at 189.5-191.0p (442.5-446.5c.), against Monday's 184.5-186.0p (432-436c.).

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	186.5p	+2.5	190.4p	+8.55
3 months	191.7p	+2.8	195.55p	+6.8
6 months	197.0p	+2.8	—	......
7 months	—	......	202.1p	+6.6
12 months	209.8p	+3.4	—	......

LME—Turnover 325 (139) lots of 10,000 ozs. Morning: Three months 192.0, 2.1, 2.0, 1.8, 1.9, 2.0. Kerbs: Three months 192.2, 92.3. Afternoon: Three months 193, 4.7, 4.8, 95, 5.1, 5.6. Kerbs: Early-August 195, 96; three months 195.5, 95.4, 95.2, 95.5, 196, 196.5, 96.3, 96.

FREIGHTS

DRY CARGO—Interest in grain on North American account was again small with tonnage in ample supply and the rate indications tended to drift. Grain bookings included Beau Comeau to St. Nazaire at $7 f.i.o. for May and from the U.S. Gulf to Alexandria at $13.30 f.i.o. for June. Also from the U.S. Gulf to Venezuela at $8.75 f.i.o. for May. A grain cargo was also covered from the U.S. Gulf to Singapore at $15.50 f.i.o. for May. In the coal section business developed from Hampton Roads to Japan at $5.75 free discharge for June and to Bilbao at $3 f.d. for May. Time-charterers fixed a vessel of 41,820 long d.w.t. for a trip from Colombo to the Continent via Indonesia at $2.60 for May and a vessel of 12,860 long d.w.t. for a voyage from Antwerp/Hamburg range to the Red Sea at $3,950 daily for May.

OIL TANKERS—More inquiry but still few fixtures for Persian Gulf tonnage. JOC Oil took a 130,000-tonner from Persian Gulf to U.K.-Continent at World-scale 20 (1975 Scale). There is inquiry for 120,000-tonners from the Persian Gulf to Spain, early loading, while Exxon is open for a VLCC of over 300,000 tons from the Gulf in early May. London charterers also are seeking tonnage in the Gulf, loading end-May.

COCOA

After initially declining further on continued liquidation, the day's losses were almost erased by brisk short-covering at the close, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No4Contract			
May	436.0-9.0	—1	423.0-35.0
July	449.0-50.0	—4.5	434.0-50.0
September	460.0-60.5	—3.5	443.0-61.0
December	484.0 5.0	—2.0	470.5-86.0
March	492.0-92.5	—5.5	479.0-92.0
May	490.0-95.0	—6.0	490.0-93.0
July	492.0-98.0	—5.0	489.0-93.5

Sales: 5,543 (5,653) lots of 10 tonnes.

International Cocoa Agreement prices: Daily 47.06 (48.61) U.S. cents a pound. Indicator 15-day average 51.73 (52.43); 22-day average 54.35 (55.02).

COFFEE

Values softened initially, despite a steady overnight New York "C" Contract. But in the final stages most losses were recouped. Fresh trading interest remained light and activity appeared to be centred on trader operations. Despite poor import figures for both Green and Soluble, coffee roasters seemed to be satisfactorily covering their commitments from existing stocks.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	390.5-1.5	+5.0	390.0-85.0
July	395.0-6.0	+5.25	396.0-88.0
September	695.5-4.0	+6.25	395.5-86.8
November	395.0-5.5	+6.75	395.0-88.0
January	397.5-8.0	+6.25	397.5-91.0
March	400.0-01.0	+6.0	400.0-395.0
May	403.0-4.0	+5.25	405.0-92.0

Sales: 640 (390) lots of 5 tonnes.

Latest published ICO indicator prices, U.S. cents a pound. Colombian Mild Arabicas 63.75 (same). Other mild Arabicas 48.50 (48.25). Unwashed Arabicas Santos Fours 72.75 (same). Robustas 48.07 (48.44). Daily average 56.98 (59.06).

ARABICA CONTRACT—(In order buyer, seller, business, sales)—June 56.00-57.00; 55.40; 2. Aug. 58.00-58.10; 56.10-56.90; 35. Oct. 57.90-58.10; 58.00-57.00; 33. Dec. 58.30-58.40; 58.30-57.49; 11. Feb. 58.60-58.70; 58.60-58.00; 2. April 58.60-58.30; 58.60; 2. June 58.00-60.00; nil; nil. Total sales, 85 lots.

RUBBER

UNCHANGED opening on the London physical market. Fair interest throughout day, closing slightly steadier. Lewis and Peat reports a Malaysian godown price of 120 cents a kilo (buyer, June).

No. R.S.S.	Y'st'rdy's close	Previous day's close	Business done
June	27.00-28.00	27.10-27.80	—
July	27.40-28.00	27.15-27.80	—
Jly.Sep.	28.00-28.10	27.85-28.00	27.75
Oct.-Dc.	29.35-29.40	29.20-29.25	29.55-29.10
Jan.-Ma.	30.45-30.50	30.55-30.40	30.45-30.25
Ap-Jun.	31.40-31.50	31.25-31.35	31.40-31.50
Jly-Sept	32.05-32.10	31.80-31.90	32.10-32.05
Oct-Dec	32.65-32.95	32.30-32.40	—
Jan-Mar	33.05-33.10	32.80-32.95	32.88

Sales: 89 (53) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 26.0p (same); June 26.15p (25.75p); July 26.4p (26.25p).

GRAINS

THE BALTIC—Small tonnages of optional U.S. corn traded for May transhipment to various U.K. ports with prices tending easier. Other sections of the imported grains market, however, continued to experience dull trading conditions.

Wheat: Canadian Western Red Spring No. 1, 13½ per cent., unquoted; U.S. Dark Northern Spring No. 2, 14 per cent., June £79.45, July £78.50, Aug. £77.85 transhipment East Coast: U.S. Hard Winter No. 2, 13½ per cent., June £76.85 direct Tilbury, July £83.30 direct Tilbury.

Maize: No. 3 Yellow American/French May £51, June £52, July £52.75 transhipment East Coast: South African White Dent May-June £59.50 Glasgow.

Barley: EEC feed May £48.75, June £50.75 East Coast.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, quietly steady. Close: May 48.55, Sept. 53.60, Nov. 55.85, Jan. 57.85, March 59.65. Business: May 48.50; Sept. 53.55-53.35, Nov. 55.95-55.65, Jan. 57.95-57.85, March 59.80-59.70. Barley, quietly steady. Close: May 49.05, Sept. 51.50, Nov. 53.40, Jan. 55.40, Mar. 57.00. Business: May 49.10-49.00, Sept. 51.40-51.30, Nov. 53.10, Jan. 55.00, Mar. 57.00. 56.90.

HGCA—Location ex-farm spot prices. Soft milling wheat—King's Lynn £49.15. Feeding barley—Edinburgh £47.45.

EEC DAILY IMPORT LEVIES—The following EEC levies and premiums are effective for May 7 in units of account per tonne. (In order current levy plus June, July and Aug. premiums, with previous in brackets). Soft Wheat and Mixed Wheat and Rye—41.72; 5.71; 5.71; 8.63 (40.99; 4.96; 4.96; 6.44). Hard Wheat—19.55; 2.92; 2.92; 4.02 (19.55; 2.92; 2.92; 4.02). Rye—56.07; nil; nil; nil (56.07; nil; nil; nil). Barley—46.65; 0.73; 0.73; 0.73 (43.73; 1.46; 1.46; 1.46). Oats—38.55; nil; nil; nil (38.55; nil; nil; 0.37). Maize (other than hybrid for seeding)—30.46; 0.37; 0.37; 1.57 (29.03; nil; nil; 0.73). Buckwheat—15.94; nil; nil; nil (15.94; nil; nil; nil). Millet—All nil (nil). Grain Sorghum—31.02; 7.31; 7.31; 9.50 (29.56; 6.94; 6.94; 9.50).

Levies are also effective for May 7 for the following flours in Units of Account per tonne. Wheat or Mixed Wheat and Rye Flour—77.69 (76.67). Rye Flour 97.50

SUGAR

LONDON DAILY PRICE—Lower at £180.00 (£198.00) a ton c.i.f. for May-June shipment.

The market uncovered buying support in August around £176, and buyers were generally encouraged to press a little, but there was a plentiful supply of scale-up selling orders, reports C. Czarnikow. All the gains were lost at the time of the New York opening, on arbitrage selling, but buyers finally returned and prices closed just below the day's highest levels.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Aug.	182.00-2.50	182.00-2.5	185.50-175.5
Oct.	178.00-8.50	174.00-5.0	179.00-17.00
Dec.	179.50-8.50	175.50-4.0	179.00-170.0
March	176.50-7.00	168.50-72.5	177.00-168.0
May	174.60-7.00	170.00-71.0	172.00-167.0
Aug.	171.00-5.00	168.00-8.5	173.00-166.0
Oct.	168.50-9.00	167.00-9.0	169.00-162.0

Sales: 3,013 (3,387) lots of 50 tons.

Tate and Lyle ex-refinery price for granulated basis white sugar was £281.50 (same) a long ton for home trade and £280.00 (£363.00) a long ton for export.

EEC DAILY EXPORT LEVIES—The following EEC export levies for White and Raw sugars (both denatured and non-denatured) are effective for May 7 in Units of Account per 100 kilos (with previous in brackets where changed). White sugar, denatured 13.00 (16.50). Non-denatured 13.00 (16.50). Raw sugar, denatured 8.00 (11.00). Non-denatured 8.00 (11.00).

WOOL FUTURES

LONDON—The market tended steadier on the day reflecting prices at origin, reports Bache.

(Pence per kilo)

Australian Greasy wool	Yesterd'ys close	+ or —	Business Done
May	158.5-60.5	+1.0	—
July	162.0-5.0	+1.5	—
October	167.0-6.5	+1.25	—
December	170.0-72.0	+2.0	—
March	175.0-8.0	+1.25	—
May	176.0-78.5	......	178.5
July	178.0-83.0	......	
October	183.0-5.0	—0.5	184.0-4.5

Sales: 18 (0) lots of 1,500 kilos.

SYDNEY—The market opened higher and rose all day to close 2½ cents to 4 cents higher.

(Australian cents per kilo.)

Greasy wool	Yesterd'ys Close	+ or —	Business Done
May	251.5-2.5	+2.5	250.5-52.5
July	260.5-60.8	+2.5	259.5-60.8
October	269.0-70.8	+3.5	269.5-70.0
December	273.7-74.0	+4.2	272.0-4.0
March	276.0-77.0	+3.8	274.0-6.5
May	279.0-81.0	+4.5	278.0-8.5
July	278.5-79.0	+3.0	277.4-79.0
October	280.5-81.5	+3.25	280.0

Sales: 321 (403) lots of 1,500 kilos

JUTE

DUNDEE—Quiet. Prices c. and f. U.K. for May-June shipment: BWB £248, BWC £239, BWD £229. Tossa BTB £248, BTC £241, BTD £231. Calcutta goods easier. Quotations c. and f. U.K. for May shipment: 10 oz. 40 in. £8.02, 7½ oz. £6.23 per 100 yards. June £8.14 and £6.26. July-Sept. £8.28 and £6.34. "B" twills £22.65, £22.67 and £22.71 for the respective shipment periods. Yarns and cloths very quiet.

LONDON—Quiet. Bangladesh White C grade May-June £244.00. Bangladesh White D grade May-June £234.00. A long ton

CALCUTTA—Steady. Indian May-June Rs.460, Dundee Daisee May-June Rs.420 value. A bale of 400 lbs.

MEAT/VEGETABLES

SMITHFIELD (prices in pence per lb)—Beef: Scotch killed sides 33.0 to 38.0 (high quality 37.0). English hindquarters (heavy) 44.00 to 46.0, forequarters 26.0 to 27.0, Eire hindquarters 44.0 to 45.0, forequarters 25.0 to 26.0.

Veal: English fats 36.0 to 42.0, bobbies 10.0 to 14.0. Dutch hinds and ends 58.0 to 62.0.

Lamb: English small New Season 42.0 to 46.0, medium 40.0 to 44.0, heavy 38.0 to 42.0, Imported frozen N.Z. D's 29.0 to 30.0, 2's 29.0 to 29.5, 8's 28.0, YLs 28.0 to 29.0.

Pork: English, under 100 lbs 26.0 to 34.0, 100-120 lbs 26.5 to 31.0, 120-160 lbs 26.0 to 31.0, 160-180 lbs 26.0 to 29.0, 180 lbs

MEAT COMMISSION—Average fatstock prices at representative markets on May 6. U.K.—Cattle £22.49 per live cwt (+0.61); sheep 39.1p per pound e.d.c.w. (+2.0); pigs £4.27 per score liveweight (+0.19). England and Wales—Cattle numbers up 2.2 per cent., average price £22.67 (+0.71); sheep up 29.9 per cent., 40.5p (+2.6); pigs down 14.6 per cent., £4.37 (−0.20). Scotland—Cattle up 15.4 per cent., £22.52 (+0.49); sheep up 40.2 per per cent., 34.2p (+0.7); pigs down 15 per cent., £4.33 (−0.17).

COVENT GARDEN (prices in sterling)—Imported produce: Oranges—Jaffa: Shamouti/Valencia Lates 3.50-4.50; Californian: 3.30-4.00; Spanish: Valencia Lates/Vernas 2.50-3.50; Cyprus: 3.30-3.90; Moroccan: 64/75 3.40-3.50, 100 3.00. Grapefruit—Jaffa: 40 2.40, 48 2.65, 56 2.75, 64 2.75, 75 2.75, 88 2.75; Cyprus: 64 2.90, 56 2.90, 48 2.50, 40 2.50; Florida: Red Blush 3.80-3.90. Lemons—Italian: 2.90-3.20; South African: 3.00-3.30; Californian: 3.30. Apples—South African: Starking Delicious 4.90-5.30, Dunn's 100/110 3.50, 150/163 4.60, 175/188 4.60, 198/210 4.60, Golden Delicious 5.00-5.10, White Winter Pearmain 4.90-5.00, Granny Smith 6.00-6.20; New Zealand: Golden Delicious 5.00, Cox's Orange Pippin 5.60-6.00, Sturmer Pippins 5.00; French: Cartons Golden Delicious 20 lbs 2.10-2.20, Stark Crimson 2.30-2.40; Italian: Cartons, Rome Beauty 1.70-1.80; Tyrolean: Per 40 lbs Rome Beauty 3.60, Starking 4.00.

English produce: Cauliflowers—Per 12, Lincoln 1.30, Kent 1.60. Mushrooms—Per pound 0.25. Spring greens—Per bag 0.70-0.80. Beetroot—Per 28 lbs new crop, long 1.80. Onions—Per 56 lbs 1.40-1.60. Turnips—Per 28 lbs 0.70. Apples—Per 30 lbs Bramley's 2.10-3.30. Rhubarb—Per pound, outdoor 0.03-0.04. Lettuce—Per 12, 1.10-1.20. Leeks—Per 12 lbs 0.90-1.00. Potatoes—Per 56 lbs white 1.15, red 1.20-1.25. Cucumbers—Per tray, 12 1.30, 14 1.60, 16 1.70, 18 1.70. Carrots—Per 28 lbs 1.60-1.70. Swedes—Per 28 lbs 0.40-0.50.

VEGETABLE OILS

LONDON PALM OIL TERMINAL—Close: June £182 to £181, Aug. £178 to £174, Oct. £176 to £171, Dec. £174 to £167, Feb. £172 to £168, April £170-£165, June £168 to £164. Turnover: 6 lots. Closing tone: About steady.

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LONDON SOYABEAN MEAL—Close: Aug. 65.80-66.20, Oct. 67.30-67.70, Dec. 68.50-68.70, Feb. 70.30-70.50, April 71.20-71.70, June 73.20-73.40, Aug. 74.30-74.90. Business: Aug. 65.4-65.9, Oct. 66.8-67.6, Dec. 67.6-68.6, Feb. 69.9-70.0, April 71.2, 71.3, June 72.0-73.0, Aug. 74.1. Turnover 91 (78) lots of 100 tonnes.

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GRIMSBY FISH—Supply poor and demand fair. Prices per stone at ship's side, unprocessed: Shelf cod £1.70-£2.40, Codlings £1.60-£2.00, Large haddocks £2.80, Medium haddocks £2.60, Best small plaice £3.00, Medium plaice £2.60, Skinned dogfish £3.50, Medium dogfish £2.50, Coalfish £1.40-£1.50, Catfish £1.20, Reds 80p-£1.20.

★

COTTON—Liverpool. Spot and shipment sales amounted to 186 tonnes bringing the total for the week to 345 tonnes, reports F. W. Tattersall. Demand slackened as a result of limited dealing by spinners. Miscellaneous purchases of Russian and Turkish qualities did not compensate for the small offtake in other growths.

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HIDES—Manchester. Slightly firmer. Second clear ox 31-35.5 kilos 30.1p per kilo; 26-30.5 kilos 24.3p; 22-25.5 kilos 25.3p. Light cows 23.4p. No calf offered.

★

COPRA—Philippines, May, June and July $270 resellers a tonne.

PRICE CHANGES

Prices per ton unless otherwise stated.

	May 6 1975	+ or —	Month ago
Metals			
Aluminium (u)	£378.8	....	£378.6
Free market cif.	£285-295	....	£280-300
Copper §			
Cash Wire Bars(u)	£535.25	+5.5	£572.75
3 month do. do.(u)	£551.75	+5.5	£590.75
Cash Cathode (u)	£522.5	+5.0	£562.5
3 months do. (u)	£541	+5.25	£580.5
Gold ... Troy oz.	$164	+0.25	$174.25
Lead Cash (u)	£190.25	+0.25	£205.5
3 months (u)	£185.25	—0.5	£199.25
Nickel (u)	£1,880	....	£1,898.8
Free market cif (lb)	$1.70-1.8	....	$1.75-1.8
Platinum(u) troy oz.	£67-71.5	....	£65½-69½
Free Market	£62½-64½	+1.5	£61½-65½
Quicksilver(76lb)(z)	$167-145	+1.5	$145-150
Silver Troy oz.	186.5p	+2.5	174.4p
3 months	197.7p	+2.8	178.6p
Tin Cash (u) §	£2,965	+3.5	£3,124.5
3 months (u)	£2,988	—6.0	£3,052.5
Wolfram 22.04lb.cif	£41.5-5.5	....	£40-41
Zinc Cash(u)§	£521	....	£351.75
3 months(u)	£308.25	—1.25	£350.25
Producers (u)	£360	....	£360
Oils			
Coconut Malayan	‡	....	‡
Groundnut			
6%	£386	....	£411
Linseed Crude (u)	‡	....	‡
Palm Malayan (a)	£183	....	£207
Soyabean (u)	‡	....	‡
Seeds			
Copra Philipp ton	$270	—5	$290
Gr'nuts Nigerian	‡	....	‡
Linseed Can. No. 1	£164.7	....	£170.5
Grains			
Barley EEC	£49.75	....	‡
Homes Futures	£49.05	....	£49.5
Maize			
French No.3 Am.	£51.0	—0.5	‡
S.A. Yellow Flint	‡	....	‡
Wheat			
No. 1 Red Spring	‡	....	‡
No.2 HardWinter	63.3	—0.9	£81.35
Australian (f.a.q.)	‡	....	‡
English Milling	£51.6	....	£53
Cocoa Shipment (u)	£505	—0.5	£656.5
futures July (u)	£449.5	—3.5	£598.75
Coffee Shipment (c)	‡	....	‡
futures July (U lb)	£395.5	+6.25	£418.75
Cotton 'A' Index ... cent	54.05	....	50.85
JuteLJABWC (d)	£244	....	£244
Rubber ... kilo	26.0p	....	26.0p
Sisal EASL (a)	$850	....	$850
Sugar	£180	—18	£230
Wooltops 64s ... kilo	188p	+1.0	175p
Cloves (Madagaska)	£2,350	....	£2,390
Pepper White ... ton	£840	....	£835
Black ... ton	£675	....	£685

* Nominal. † Seller. § Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. a Seller's quotation. h January. k Jan.-Feb. u Metric tons. r Jan.-March. v February. s Feb.-March. t Nov. q May-June. w Nov.-Jan.

INDICES

FINANCIAL TIMES

May 6	May 5	Month ago	Year ago
159.40	158.89	169.94	221.21

(Base: July 1, 1952=100)

REUTER'S

May 6	May 5	Month ago	Year ago
1065.1	1073.7	1091.7	1380.9

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	May 6	May 5	Month ago	Year ago
Spot	277.18	277.11	309.68	338.06
Futures	257.28	255.21	285.06	299.13

(Average 1924-25-26=100)

MOODY'S

Moody's	May 6	May 5	Month ago	Year ago
Sple Comm'ty	722.1	719.4	764.0	707.1

(Dec. 31, 1931=100)

U.S. Markets

Silver and cocoa up as sugar sinks

NEW YORK, May 6.

SILVER rallied on continued Commission House buying while copper advanced on speculative short-covering. Light Commission-House buying pushed cocoa higher. Sugar finished lower in featureless trading. Chicago grains closed mixed to higher on short-covering and concern over new crop plantings, Bache reports.

Gold (troy ounces)—May 163.90 (162.50), June 164.90 (163.50), July 165.90, Aug. 166.90, Oct. 168.90, Dec. 171.00, Feb. 173.20, April 175.40, June 177.60, Aug. 179.80 settlements.

Total sales, 473 lots of 100 ounces.

Cocoa—Ghana spot 59½ (59). Bahia spot 53½ (52½). May 50.40 (49.25 nom.), July 45.90 (45.00), Sept. 45.10, Dec. 46.25, March 46.87, May 47.00, July 47.50 nom., Sept. nil. Sales, 2,304.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams unquoted (same). "C" Contract: May 50.00-50.25 (49.25 asked), July 52.00-51.80 (50.00), Sept. 53.00-53.15, Nov. 53.00-53.15, Dec. 53.40, March 53.89 bid, May 54.30 bid. Sales, 586.

Copper—May 55.10 (54.10), June 55.40 (54.50), July 56.90, Sept. 57.00 settlements. Sales, 1,327 lots.

Cotton—May 45.05 (44.54-44.73), July 46.10-46.15 (45.63-45.65), Oct. 47.48-47.50, Dec. 48.25-48.30, March 49.10-49.25, May 49.70-49.90, July 50.50-50.70, Oct. 50.80 bid. Sales, 1,450.

Greasewool—Spot 131.0 nom. (same), May 129.0-139.0 (129.0-137.0), July 135.0-142.0 (133.1-140.0), Oct. 138.0-144.0, Dec. 141.0-148.0, March 142.0-145.0, May 143.0-149.0, July 143.0-150.0, Oct. 143.0 bid.

†Lard—Chicago loose 26 (26½ nom.). NY drummed 32 nom. (32½ nom.).

††Maize—May 273¾-274 (273½-275), July 271½-272½ (271½-271¾), Sept. 262-263, Dec. 246½-249, March 254-254½, May 257½.

‡Platinum—July 143.50 (144.90), Oct. 151.50 (147.90), Jan. 154.50, April 157.20, July 160.00, Oct. 162.90 settlements. Sales, 246 lots.

‡‡Silver—Spot 442.00 (430.00), May 443.90 (434.90), June 445.90 (437.00), July 449.90, Sept. 455.10, Dec. 464.10, Jan. 466.90, March 472.80, May 478.70, July 484.60, Sept. 490.50 settlements. Sales, 8,059 lots.

*Soyabeans—May 507-506 (515½ asked), July 501-499 (501½-502), Aug. 496, Sept. 490-489, Nov. 492-491, Jan. 496, March 503-503½, May 509, July 515.

ђSoyabean Meal—May 116.50 (118.00), July 117.50-117.20 (118.50), Aug. 119.00, Sept. 119.50-120.00, Oct. 121.50-122.50, Dec. 124.50, Jan. 125.50-126.50, March 129.00-130.00.

Soyabean Oil—May 23.00-23.05 (23.45), July 22.05-22.00 (22.25-22.30), Aug. 21.50, Sept. 21.05-22.00, Oct. 20.50-20.40, Dec. 20.00, Jan. 19.50, March 19.10, May 18.15-18.00, July 18.10-18.90.

Sugar—Spot 17.75 (18.00), July 17.24-17.15 (17.35-17.50), Sept. 16.75-16.80 (16.80-16.90), Oct. 16.65, Jan. 15.98 nom., March 16.00-15.05, May 15.50, July 15.11, Sept. 14.70-14.75, Oct. 14.65. Sales, 4,000 (estimated).

Tin—320.00-364.00 nom. (339.00 nom.).

**Wheat—May 313-311½ (315), July 311½-312 (309-309½), Sept. 317-316½, Dec. 325, March 332.

WINNIPEG, May 6. ††Rye—May 213½ bid (212 bid), July 216½ bid (214½), Oct. 209½ bid, Dec. 204 nom.

cOats—May 165½ bid (167¼ bid), July 161½ bid (165), Oct. 159 bid, Dec. 160 nom.

§Barley—May 235 bid (236), July 228½ asked (229½ asked), Oct. 219½ asked, Dec. 219 nom.

dFlaxseed—May 821 bid (820), July 818 bid (816), Oct. 801, Nov. 785, Dec. 778 bid.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 496 (497).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. †Chicago loose $'s per 100 lbs — Dept. of Ag. prices previous day. Drummed $'s per 10 lbs f.o.b. NY. ‡‡ Cents per troy ounce ex-warehouse. ђ New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots.

APPOINTMENTS

COMPANY NOTICES

AB ELECTROLUX

NOTICE OF ANNUAL GENERAL MEETING
The Annual General Meeting of AB Electrolux will be held at the company's head office at Lilla Essingen, Stockholm, Sweden, on 21st May, 1975, at 10.00 a.m.

Agenda
Apart from matters prescribed by law and the company's articles of association the meeting will vote on the following matters:—
1. The proposal of the Board and the Managing Director for an increase of the company's share capital by S.KR. 124,800,000 through a bonus issue whereby the owners of old, Series A and Series B shares will be entitled to receive one new Series B share for every 5 old shares.
2. Authorisation for the Board up to the 1976 Ordinary Meeting to pass a Resolution to increase the company's share capital by S.KR. 16.000.000 through a new subscription for 320.000 Series B share by Aktiebolaget Investor at a subscription price of S.KR 125 per share, to be paid in cash.

Right to take part in the Annual General Meeting
The company applies the provisions of the Act on simplified shareholding. According to this act, the shareholders who wish to attend the meeting, shall have to be entered in the shareholders' register kept by VPC AB (The Swedish Securities Register Centre) not later than ten days before the date on which the meeting is to be held.
Shareholders who have had their shares registered through the Trust Department of a Bank or through a stockbroker as nominee, must register the shares temporarily in their own name in order to be entitled to take part in the meeting.

Notification
Shareholders desiring to take part in the Annual General Meeting of the company, shall notify the Directors thereof not later than May 16th, 1975 between 10.00 a.m. and 2.00 p.m. under the address: AB Electrolux, 105 45 Stockholm (notification may also be made by telephone. Number 08-13 01 00. Ext 1124 or 1792).

Date of Dividend Declaration
Friday May 23rd, 1975, is proposed as the date of Dividend Declaration. If the Annual General Meeting resolves in favour of the proposal, the dividend should be distributed by the VPC on Friday May 30th, 1975.

ELECTRICITY SUPPLY COMMISSION —ESCOM

9¼% 1970-1980 UA 12.000.000 Loan

Bonds for the amount of UA 484.000 have been drawn for redemption in the presence of a Notary Public on April 23, 1975.
The Bonds will be reimbursed coupon No. 6 attached on and after June 26, 1975.
The numbers of said Bonds are as follows:
5505 to 5567 incl., 5569 to 5584 incl., [illegible] ... 10949 incl., 10951 and 10952, 10961 to 10965 incl., 10985 to 11004 incl., 11014 to 11018 incl., 11051, 11110 and 11111, 11161 and 11162, 11198 and 11199, 11221 to 11228 incl., 11243 to 11247 incl., 11254 and 11255, 11301, 11304 to 11308 incl., 11313, 11332, 11335 to 11342 incl., 11344 to 11349 incl., 11394, 11404, 11410 to 11413 incl., 11528 and 11589, 11605, 11623, 11650, 11666 and 11667, 11685 and 11686, 11691 and 11692, 11703, 10977 to 10979 incl.

FINIMTRUST S.A.
Luxembourg,
May 7, 1975.

ANGLO AMERICAN CORPORATION GROUP
ORANGE FREE STATE GOLD MINING COMPANIES
DECLARATION OF DIVIDENDS

Further to the dividend notice advertised in the press on the 14th March, 1975 the conversion rate applicable to payments in United Kingdom currency in respect of the undermentioned dividends to shareholders registered on the 4th April, 1975 is £1=R1.594610.

The effective rate of South African Non-Resident Shareholders' Tax is 15 per cent.

Details of the dividends concerned are as follows:—

Name of company (each of which is incorporated in the Republic of South Africa)	Dividend No.	Coupons marked "South Africa" No.	South African currency per share/unit of stock	U.K. currency equivalent
Free State Geduld Mines Limited	36	37	170 cents	106.60913p
President Brand Gold Mining Company Limited	40	42	125 cents	78.38907p
President Steyn Gold Mining Company Limited	40	41	60 cents	37.62675p
Welkom Gold Mining Company Limited	36	—	30 cents	18.81337p
Western Holdings Limited	40	—	225 cents	141.10033p

For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED
London Secretaries
D. H. J. Pattison

London Office:
40, Holborn Viaduct,
EC1P 1AJ.
Office of the United Kingdom transfer secretaries:
Charter Consolidated Limited,
P.O. Box 102,
Charter House, Park Street,
Ashford, Kent.
TN24 8EQ.
6th May, 1975

COMPANY NOTICES

IRELAND 9¾%

1974/1984 UA 20,000,000

Notice is hereby given to the bondholders of the above mentioned Bonds that the amount redeemable on June 12, 1975, i.e. UA 1.000.000 was bought in the market.

Amount outstanding: UA 19.000.000

THE FISCAL AGENT
KREDIETBANK
S.A. Luxembourgeoise

Luxembourg, May 7, 1975

EDGAR ALLEN & CO. LIMITED

NOTICE IS HEREBY GIVEN that the Registers of Holders of the 7½% Debenture Stock 1987/92 will be closed from the 23rd to 31st May 1975 inclusive, for the purpose of preparing Interest Warrants for the half year to the 31st May 1975.
By Order of the Board,
G. R. WOOSEY,
Secretary.
Sheffield Road,
Sheffield, S9 1RA.

CONCERTS

SOUTHWARK CATHEDRAL 8 May, 8 p.m. Mozart C Minor Mass K.427. Bach and Bruckner. John Bate Choir Lole McDonall, etc. Caorfal Orchestra.

PLANT AND MACHINERY

RESALE WEEKLY is Europe's No. 1 Journal of used plant & machinery. Ring 01-47? 8221-2-3 to-day for your free copy.

LEGAL NOTICES

UNITED RAILWAYS OF THE HAVANA AND REGLA WAREHOUSES, LIMITED
(In Voluntary Liquidation)

To the holders of:
5 per cent. Second Income Loan Stock ("Loan Stock") and Consolidated Stock [illegible]

[illegible]

W. R. TOMKINSON
H. J. D. TUCKETT
Joint Liquidators

ESTATES AND FARMS

APPOINTMENTS

Barclays group economic adviser

Professor Harold Rose is to join the BARCLAYS BANK group in August as economic adviser. Mr. Paul Bareau, economic consultant to the bank since 1967, is retiring from that position this summer.

Professor Rose has been Esmée Fairbairn Professor of Finance at the London Graduate School of Business Studies since 1965 and Director of the School's Institute of Finance and Accounting since it was established in 1973. He will be retaining a Professorship at the London Business School on a part-time basis. He has acted as adviser to a number of financial institutions and has recently been appointed to the Board of the Abbey National Building Society.

★

Dr. A. G. Raper, previously deputy general manager, has been appointed to the new post of chief executive, DAVY ASHMORE INTERNATIONAL (Stockton division).

★

Mr. D. L. Redican has been appointed managing director of ATLAS ALLOYS. Mr. L. D. Burpee has been made manager, mill sales Europe, for Atlas Steels Company of Ontario, Canada. The companies are members of the RTZ GROUP.

★

Mr. Arthur Makin has joined RUBERY OWEN (WARRINGTON) as deputy managing director.

★

Mr. E. Ankrett has been appointed marketing director of TELETON ELECTRO (U.K.).

★

Mr. G. D. J. Hay has been appointed a director of SLATER WALKER with special responsibility for management and advisory services.

★

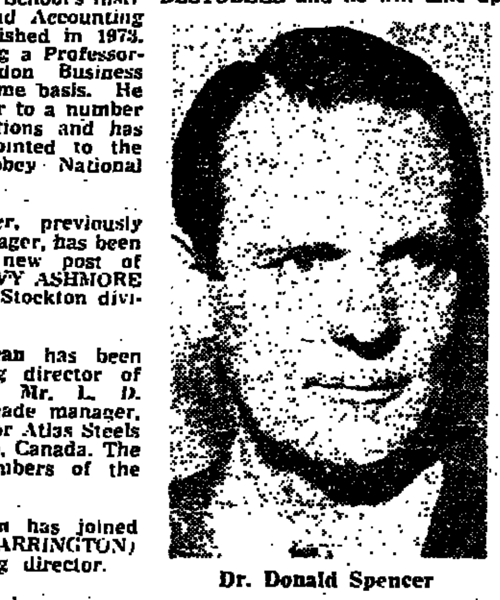
Mr. A. J. Sumner has been appointed director of planning and control for SIME DARBY HOLDINGS. He was previously director of corporate planning for PA Management Consultants.

★

Mr. James Howard has been appointed to the Board of ANDREWS-WEATHERFOIL and will be responsible for the company's private division. Mr. Gerry Metcalfe, a divisional manager, has been made a divisional director. The company is a member of the Powell Duffryn Group.

★

Dr. Donald Spencer has been appointed managing director of BESTOBELL and he will take up



Dr. Donald Spencer

his post on September 1. Dr. Spencer is at present managing director of Air Products.

★

Lord Mancroft, appointed chairman of the HORSERACE TOTALISATOR BOARD from May 1, 1972, has had his original three year appointment extended by the Home Secretary for another year.

★

Mr. D. A. Pease, formerly deputy chairman of the NATIONAL MUTUAL LIFE ASSURANCE SOCIETY, has been elected chairman on the retirement of the Earl of Rothes. Mr. J. D. Spooner has been elected deputy chairman.

★

Mr. C. H. Moore, who becomes deputy chief general manager of the Norwich Union Insurance Group from May 14, has been appointed chairman of the FIRE PROTECTION ASSOCIATION in succession to Mr. J. A. C. Greenwood who retires after a two-year term of office. Mr. C. W. West succeeds Mr. Moore as deputy chairman of the association.

Mr. F. Wakelin has been appointed director of sales of the SHERATON-HEATHROW HOTEL. He was previously with Pan American Airways.

★

Mr. Alan Osborne who joined the company 26 years ago as a junior engineer has been appointed to the Board of TARMAC.

★

Mr. David Thomas has been appointed financial director of LADBROKE HOLIDAYS, a subsidiary of the Ladbroke Group. He was formerly chief accountant of the U.K. Marketing Company of Rank Xerox.

★

Mr. Douglas Greaves has been appointed a director of WATMOUGHS (HOLDINGS) and continues as a director of D. H. Greaves.

★

Mr. P. J. Colcaire has been appointed general manager, business development, at the ATLANTIC INTERNATIONAL BANK.

★

Mr. R. Graham Tose has been appointed production director of SONICAID.

★

Lord Hewlett has been appointed a director of BURCO DEAN.

★

Mr. Michael Horstead, managing director of Ayer Barker Hegemann International BV, is to join the Board of the parent company, CHARLES BARKER ABH INTERNATIONAL, as group financial director. He will take up his appointment next year.

★

Sir Jeremy Morse has been appointed a director of ALEXANDERS DISCOUNT COMPANY.

★

Mr. Edouard Sautter has been appointed president of the FRENCH BANK OF CALIFORNIA, and manager of the Banque Nationale de Paris San Francisco Agency.

★

Mr. W. B. Carruthers to be a full-time chairman of INDUSTRIAL TRIBUNALS (ENGLAND AND WALES) from May 15.

★

Mr. C. E. Smart has been appointed deputy chairman of HERTFORDSHIRE POLYMER PRODUCTS. Mr. D. W. Ev[illegible] becomes chief executive and will represent the company on the Allied Polymer Group Industrial Division Board. Mr. R. Whinnett is made works director responsible to the chief executive for all manufacturing activities. Mr. D. K. A. McGlashan is technical director responsible to the works director for laboratory and engineering functions.

★

Mr. R. J. Thomas has been appointed group technical director and Mr. D. Kedw[illegible] group financial director of COATED METALS (HOLDINGS). Mr. E. A. Thomas has been works director of Coated Metals, a subsidiary.

★

Mr. D. G. T. McAdams has been appointed a director of BRADSTOCK HICKS.

★

Mr. H. Hugh Thomas, British Steel Corporation's Social and Regional Policy Co-ordinator for Wales, has been appointed a director of the DEVELOPMENT CORPORATION FOR WALES.

HOME CONTRACTS

Dowsett wins £12m. motorway work

DOWSETT ENGINEERING, Harrogate, has been awarded a £12m. contract by Warwickshire County Council to construct a 12-kilometre section of the M69 Coventry/Leicester motorway, which will start at the M6 near Ansley, Warwickshire, and end near Burbage, Leicestershire. Work, which is due for completion in two years, includes two interchanges and 21 bridges.

★

REEMA CONSTRUCTION, part of the Aberdeen Construction Group, has started work on a contract worth almost £1m. for 112 homes for Test Valley District Council at Woodley, Hants. The first handover of homes is scheduled for February 1976, and the whole project is due for completion by October, 1976.

★

MEDWAY BUILDINGS has won a contract worth about £160,000 to design and construct passenger terminal facilities at Sheerness for Olau Line in connection with its sea ferry service between Sheerness and Flushing. A two-storey building, the ground floor will consist mainly of Customs and immigration halls with passenger assembly and waiting areas. The first floor will be mainly office accommodation but will include a snack bar area. Work has started and is scheduled for completion by late August.

★

ROSSLEIGH COMMERCIAL has received a £96,500 contract from Glasgow Corporation for eight dual-purpose buses capable of being used for the school meals service or the transfer of handicapped children, and seven buses for the conveyance of spastic children.

★

SE LABORATORIES (EMI), Feltham, has won a £30,000 contract from the Ministry of Defence to supply SM 202 counter/timers to the RAF. The instruments, which are NATO-coded, will replace existing ground test equipment at selected airbases throughout the world. Delivery is expected by August.

Jo Hristos

MONEY MARKET

Moderate assistance

Bank of England Minimum Lending Rate 10% (since May 2, 1975)

Day-to-day credit was in short supply in the London money market yesterday, and the authorities gave assistance for the first business day in five. The official help was provided through purchases of Treasury and local authority bills from the Discount houses. On the balance of the identified factors, however, it seemed possible that banks carried forward a surplus. Banks had carried a surplus from Monday, and Government disbursements outweighed revenue transfers to the Exchequer, but there was a fall in the note circulation, and the authorities held maturing bank bills.

Discount houses paid 8½-9 per cent. in places for secured call loans in the earlier part, but found later balances at 6-7 per cent. In the inter-bank market, overnight loans were in a range of about 7-9 per cent.

The one-month sterling certificate yield rose to 9⅝-9½ per cent., from 9¼-9⅜ per cent., the three month to 10⅛-10⅜, from 10⅛-10¼ per cent., and the one-year to 11⅜-11⅝ per cent., from 11¼-11½ per cent.

Rates in the table below are nominal in some cases.

	Sterling Certificates of deposits	Inter-bank	Local Authority deposit*	Local Auth. negotiable bonds	Finance house deposit	Company deposits	Discount market deposits	Treasury bills ⊕	Bank bills ⊕	Fine trade bills ⊕
Overnight	—	7-9	8-9¼	—	—	9¼-9¾	6-9	—	—	—
2 days notice	—	—	9-10	—	—	—	—	—	—	—
7 days or 7 days notice	—	8⅝-9¼	9¼-9⅝	—	—	—	8⅞-9	—	—	—
One month	9⅝-9½	9⅝-9⅞	9½-9¾	11-10	—	—	9⅛	9⅜	9⅞	11-12
Two months	10⅛-10	9⅞-10⅛	—	11-9¾	—	—	9⅜	9⅜	10⅛	11-12
Three months	10⅛-10⅜	10⅛-10¼	10¼-10⅜	11-9¼	—	—	9⅜	9⅜	10⅜	11-12
Six months	10⅜-10½	10⅝-10⅞	10¾	11⅛-10⅞	—	—	—	—	10¾	11-12
Nine months	11⅛-11¼	11⅛-11¼	—	12¼-11¾	—	—	—	—	—	—
One year	11⅝-11⅛	11⅛-11¾	12⅛-12⅞	12¼-12	—	—	—	—	—	—
Two years	12⅛-12	12-12⅛	12-12¼	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13½-13¾ per cent.; four years 13¾-14 per cent.; five years 14-14½ per cent. ⊕ Bank bill rate in table is buying rate for prime paper. Buying rates for four-month bank bills 10¼ per cent.; and four-month trade bills 11-12 per cent. Approximate selling rate for one-month Treasury bills 9⅜ per cent.; two month 9⅜ per cent.; three months 9⅜ per cent. Approximate selling rate for one-month bank bills 9¾ per cent.; for two-month 9⅞ per cent.; and three-month 10⅛ per cent.; one-month trade bills 10-10½ per cent.; two-month 10-10½ per cent.; and three-month 10-10½ per cent.

Finance House Base Rate (published by the Finance Houses Association): 10½ per cent. from May 1. Clearing Bank Deposit Rates: for smaller sums at seven days' notice 6½ per cent. Clearing Bank Base Rates for lending 9½ per cent. Treasury Bills: Average tender rate of discount 9.4670 per cent.

BASE LENDING RATES

AFI International	9½%
Allied Irish Banks Ltd.	9½%
Anglo-Portuguese Bank	10 %
Henry Ansbacher	10½%
Banco de Bilbao	9½%
Banco de Jerez	11½%
Bank of Cyprus	‡11 %
Banque du Rhone S.A.	10 %
Barclays Bank	9½%
Barnett, Christie Ltd.	11 %
Bremar Holdings Ltd.	10½%
Brit. Bank of Mid. East	9½%
■ Brown Shipley	10½%
Cayzer, Bowater Co. Ltd.	10½%
Cedar Holdings	11 %
■ Charterhouse Japhet	10½%
■ C. E. Coates	10½%
Consolidated Credits	12 %
Continental Trade Bk.	9½%
Co-operative Bank	* 9½%
Copleys Bank	11½%
Corinthian Securities	9½%
Credit Lyonnais	9½%
G. R. Dawes	10½%
Duboff Brothers	11½%
Duncan Lawrie	10½%
English Transcont.	11½%
First London Secs.	9½%
■ Antony Gibbs	10 %
Goode Durrant Trust	10 %
Greyhound Guaranty	9½%
Gridlays Bank	10 %
■ Guinness Mahon	10½%
■ Hambros Bank	9½%
Hawtin & Partners	13 %
■ Hill Samuel	§10 %
C. Hoare & Co.	† 9½%
Julian S. Hodge	10½%
Industrial Bank of Scot.	9½%
Jacobs. Kroll	11½%
Keyser Ullman	10½%
Kinghurst Securities	12 %
Lloyds Bank	9½%
London & European	11½%
London Mercantile	11½%
Midland Bank	9½%
■ Samuel Montagu	9½%
■ Morgan Grenfell	9½%
Morris Wigram Ltd.	11½%
National Westminster	9½%
Northern Comm. Trust	11½%
Norwich General Trust	10 %
Portman Guaranty	11 %
P. S. Refson & Co.	9½%
Rossminster Accept'es	9½%
Royal Trust of Canada	10½%
E. S. Schwab	11½%
Security Trust Co. Ltd.	11 %
Shenley Trust	11½%
Standard & Chartered	9½%
Sterling Credit	12 %
Stewart Salmon & Co.	9½%
Thames Guaranty	12 %
Trade Development Bk.	9½%
Twentieth Century Bk.	11½%
United Bank of Kuwait	9½%
Wallace Brothers Bank	10½%
Whiteaway Laidlaw	10 %
Williams and Glyn's	9½%
Yorkshire Bank	9½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposit 6½%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6¾% and over £25,000 7½%.
‡ Deposit Base Rate 10½%.
§ Demand deposit 7½%.

CORAL INDEX
Close 308-313

INSURANCE BASE RATES

† Atlantic Assurance	11½%
Cannon Assurance	10 %

† Address shown under Insurance and Property Bond table.

REGIONAL MARKETS

BELFAST

Pkg. ...	16	......
...(B.) £1	75	......
... Inv.	20	......

IRISH EXCHANGE

...£1	56	......
...	125	......
...alkin	67	......
...eseProds.	70	......
...(£1)	39	......
...(Hidgs)	32	......
Distillers	65	......
Wire Rd.	40	......
...	52½xd	......
...	13	......
...	51	......
...Frdk 10p	51	......

Evered	11½	......
Fr'n & Reed 50p	100	......
Gardiner	13½	......
Graig Sh'p (£1)	500	—75
Halmsh'gh 10p	7½	—½
Kleen-e-ze	27	......
Lovell's Ship (£1)	130	......
Pearce C.H.	50	......
Sindall (Wm.)	46	......
Vincent (H)	87½	......
Garner L.	66	......
Hartl'y Ind 20p	29½	—½
Higson Brew.	85	—5
Holt Joseph 25p	170	......
I.O.M. Stm. £1	110	......
Nichols Vimto	47½	......
NthnGoldsm'th	65	......
P.M.A.	34	—2
Peel Mills	17	......
Sayers Con 12½p	9	......
Sheffield Brick	66	......
Sheff. Refrshmt	155	......
Shiloh Spinn.	22½	—2
Wadend H. 12½p	24	......

NORTHERN EXCHANGE

Albany Inv 20p	12	......
Ash Spinning	40	......
Brady (G.) "A"	55	......
Br'wtr Est. 50p	135	—5
Clover Croft	40	......
Dymo R.A. "A"	30	......
Ellenroad	38	......
Eng. Nat Inv Pt.	45½	......
Do. Deferred	23½	......
Ura...	26	......

SCOTTISH EXCHANGE

...	17	......
Craig & Rose £1	310	......
Dundee Crm £1	180xr	......
Dundee Ice £1	300	......
Eadie & McHrty	67	......
FifeForge	6	......
Lees J.J. 10p	25	......
Richards 10p	10	......
R... Ca...	57	—2

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
... 'New'	Nil/pd.	18	46*	— 7	79*	46*
...	£1	15	233	—	255	118
...s	25p	13	233	— 4	272	91
...l Transport	25p	13	275	— 8	300	118
...	25p	11	106	— 2	131	31
...s 'A'	25p	10	189	— 5	226	86
...rho	20p	10	134	— 4	142	68
...ks & Spencer	25p	10	220	+ 2	256	95
...ing (Thomas)	20p	10	54	— 4½	66½	19
...lever	25p	10	352	—	402	170
...rtaulds	25p	9	103	— 2	128	53
...tillers	50p	9	124	— 1	141	65½
...nd Met.	50p	9	56	— 1	69	19½
...tal Box	£1	9	244	— 6	282	117
...t. West'ster Bk.	£1	9	222	—	255	88

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).
* Premium.

NEW "HIGHS" AND "LOWS" FOR 1975

The following securities (number in parentheses) among those quoted in the Share Information Service yesterday attained new "highs" and "lows" for 1975.

NEW HIGHS (65)

AMERICANS (22)
Burroughs Cpn. — Intnl. Systems Cntls.
Chase Manhattan — Kaiser Aluminium
Citicorp — Morgan (J. P.)
Crown Zellerbach — Owens Illinois
Eaton Cpn. — Singer
Exxon — Sperry Rand
Firestone Tire — Tesoro Pet.
Fluor Cpn. — Transamerica
Gillette — U.S. Steel
IBM — Xerox Cpn.
Intnl. Hldgs. Cpn. — Zapata Cpn.

CANADIANS (3)
Hudson Bay Oil Gas — White Pass
Peoples Dept. Store

BANKS (1)
Tst. Bk. Africa

ENGINEERING (1)
Expanded Metal

INDUSTRIALS (10)
Barlow Rand — Liden
Dover Cpn. — Lipton (L.)
Feedex — Mentmore
Franklin Mint — Monsanto 5pc 82-86
Goodrich (B. F.) — Steel Bros.

INSURANCES (2)
Cmbd. Ins. America — Taisho Marine

MOTORS (1)
Gen. Motors Units

SOUTH AFRICANS (4)
Abercom — OK Bazaars 'A'
Greatermans 'A' — S.A. Breweries

TRUSTS (8)
Delta Inv. — Rolinco NV
Grange Tst. — Do. Sub.-Shs.
Lon. and Gartmore — Lubok Invs.
Robeco Sub.-Shs. — Worldwide

RUBBERS (4)
Golden Hope — Pataling
London Asiatic — Plantation Hldgs.

TEAS (1)
Longbourne

MINES (8)
Transvaal Cons. Land — Union Plat.
U.C. Inv. — MIM Hldgs.
Anglo-Am. Inv. — Berjuntai
Lydenburg — Cons. Murchison

NEW LOWS (5)

LOANS (MISCELLANEOUS) (1)
FFI 13pcUns. 1981

INDUSTRIALS (1)
Bank Bridge

PAPERS (1)
Oxley Print Grp.

TRUSTS (2)
Dowgate and Gen. — Williams Hudson

INSURANCE, PROPERTY, BONDS

				Yield %
Abbey Life Assurance Co. Ltd. St. Paul's Churchyard, E.C.4				248 9111
...Eq. May 5	27.4	29.1	+0.1	—
...ce Unit May 6	21.4	22.7	+0.1	—
Cornhill Insurance Co. Ltd. 32, Cornhill, E.C.3.				01-626 5410
Capital Apr. 15	95.5		......	—
GS Special Apr 15	87.6		......	—
MnGthBd Apr 20	113.5	119.5	......	—
Crescent Life Ass. Co. Ltd.				
Life Assur. Co. of Pennsylvania 39-42 New Bond St., W1Y 0RQ				01-493 5395
LACOP Units	778	817	......	—
Lloyd's Life Assurance Ltd. 12, Leadenhall St., EC3M 7LS				01-623 6621
Mlt. GthFdMay6	1.36409			—
Save & Prosper Group 4, Gt. St. Helen's, London, E.C.3				588 1717
Bal'nced Inv. Bd.	89.6	94.4	—0.2	—
Equity Bonds	89.2	93.9	—0.1	—
Property Fund	103.1	108.6	......	—
Deposit Fund	103.5	108.8	+0.2	—
Equity Pension Fd	98.8	104.0	—2.0	—

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Tue May 6, 1975 Index No.	Day's Change %	Est. Earnings Yield % (Max. Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Monday May 5 Index No.	Friday May 2 Index No.	Thurs. May 1 Index No.	Wed. April 30 Index No.	Year ago (approx) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (181)	112.60	—2.6	21.13	7.14	6.92	6.92	115.53	120.93	120.80	120.02	109.74	129.01 (25/4)	61.78 (6/1)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	98.47	—2.8	23.86	7.85	6.46	6.45	102.38	108.93	108.11	108.49	111.99	117.40 (22/4)	45.11 (6/1)	253.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (28)	213.75	—1.7	19.45	4.65	7.59	7.57	217.35	230.97	231.19	228.80	188.62	251.61 (25/4)	74.74 (6/1)	389.33 (19/5/72)	71.48 (12/12/74)
4	Electricals (16)	189.41	—4.5	19.66	6.20	7.35	7.35	198.31	208.87	211.67	209.21	204.35	229.55 (25/4)	98.49 (2/1)	350.04 (4/5/72)	84.71 (25/6/65)
5	Engineering (Heavy) (13)	137.18	—1.7	23.56	7.82	6.30	6.30	139.59	144.56	148.60	149.05	116.01	159.79 (22/4)	64.39 (2/1)	202.57 (2/5/72)	64.39 (6/1/75)
6	Engineering (General) (65)	101.31	—1.7	21.46	7.84	6.75	6.74	103.08	106.27	105.54	104.59	88.78	110.07 (25/4)	45.43 (6/1)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (11)	44.41	+2.3	13.83	10.48	12.76	12.55	43.40	44.80	44.83	45.12	36.12	46.19 (22/4)	20.11 (2/1)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (23)	103.24	—2.0	20.22	7.49	6.73	6.72	105.39	109.40	107.56	107.53	98.09	114.48 (25/4)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (59)	79.46	—2.7	22.70	7.77	6.43	6.41	81.72	85.23	85.40	85.86	98.77	90.59 (22/4)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	86.04	—3.5	24.66	5.92	5.88	5.87	89.12	94.02	94.25	94.11	120.14	105.62 (10/3)	44.28 (6/1)	257.41 (19/5/72)	42.85 (13/12/74)
11	Household Goods (15)	132.22	—1.1	32.83	6.04	4.39	4.39	133.72	138.06	137.89	137.80	153.33	146.90 (25/4)	64.53 (6/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (29)	45.39	—2.5	15.52	10.10	9.67	9.60	46.55	48.01	48.15	48.99	49.65	50.56 (22/4)	19.91 (6/1)	170.89 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (164)	126.90	—2.0	16.09	6.43	8.79	8.79	129.55	134.31	135.94	133.08	117.68	141.55 (22/4)	61.98 (6/1)	226.08 (16/5/72)	61.41 (13/12/74)
14	Breweries (16)	137.01	—2.8	15.25	7.21	9.73	9.73	140.60	145.07	147.72	143.56	140.58	156.35 (22/4)	75.58 (6/1)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (8)	145.75	—4.1	14.79	6.43	10.01	10.01	151.95	157.50	159.20	156.00	159.85	167.59 (22/4)	80.42 (6/1)	257.40 (15/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (16)	132.37	—2.4	16.78	8.50	8.58	8.58	135.56	144.84	144.84	141.13	137.84	149.02 (23/4)	55.28 (6/1)	329.99 (12/12/72)	54.83 (9/1/75)
17	Food Manufacturing (22)	135.63	—1.5	15.38	5.67	9.00	8.97	137.75	141.81	144.14	143.44	113.17	148.82 (22/4)	62.03 (2/1)	211.65 (14/11/74)	59.67 (11/12/74)
18	Food Retailing (16)	127.80	—1.5	11.99	4.83	12.59	12.39	129.55	135.04	137.92	135.38	106.25	145.54 (25/4)	57.15 (2/1)	235.08 (15/5/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	130.37	—1.7	21.21	7.35	7.06	7.06	132.63	136.96	137.30	136.56	150.62	146.73 (23/4)	55.08 (6/1)	260.29 (15/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	92.58	—3.1	23.59	7.12	6.14	6.15	95.51	98.47	97.43	95.80	78.05	102.98 (23/4)	43.46 (6/1)	135.69 (25/4/72)	43.46 (6/1/75)
21	Stores (30)	117.41	—2.6	11.87	5.44	12.47	12.47	120.49	125.88	126.85	124.16	95.60	129.59 (22/4)	52.63 (6/1)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (19)	121.22	—3.0	29.44	8.30	3.95	3.93	124.96	128.54	130.56	126.72	129.25	142.59 (17/4)	62.91 (6/1)	253.72 (17/9/68)	62.66 (11/12/74)
23	Tobacco (3)	172.73	—	20.19	7.71	7.27	7.27	172.66	176.70	179.66	175.13	184.52	199.16 (10/3)	109.92 (6/1)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	41.02	+0.9	27.15	7.46	5.03	5.05	40.65	41.21	41.51	41.55	44.70	43.61 (23/4)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (92)															
25	Chemicals (25)	152.53	—1.0	22.62	5.82	6.27	6.27	154.11	157.69	159.33	155.87	139.54	164.47 (25/4)	73.14 (6/1)	201.92 (31/1/69)	71.20 (11/12/74)
26	Office Equipment (10)	89.65	+0.3	15.81	5.86	8.43	8.43	89.40	92.26	92.49	95.15	118.90	104.78 (17/4)	45.34 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (11)	331.08	—4.5	25.90	7.12	4.44	4.32	346.79	358.47	357.80	356.07	380.93	401.84 (10/3)	194.38 (6/1)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (46)	134.20	—1.4	18.52	7.19	7.56	7.56	136.17	142.06	141.69	138.67	132.94	148.14 (23/4)	60.39 (6/1)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	123.06	—2.0	18.81	6.63	7.54	7.53	125.57	130.31	131.20	129.22	119.86	137.37 (23/4)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	235.40	—1.7	31.27	6.55	3.43	3.20	239.38	247.52	247.53	243.33	244.04	251.18 (22/4)	105.83 (2/1)	431.66 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	132.61	—2.0	20.54	6.62	6.47	6.34	135.26	140.29	141.11	138.95	130.40	146.95 (23/4)	63.49 (6/1)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	131.80	—2.2	—	5.42	—	—	134.75	140.69	142.51	139.77	124.98	147.98 (23/4)	56.50 (6/1)	241.41 (1/4/72)	55.88 (13/12/74)
33	Banks (6)	145.31	—0.8	25.72	5.41	5.79	5.79	146.54	152.54	156.08	151.22	147.84	163.68 (25/4)	62.56 (2/1)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	129.05	—3.7	—	8.75	—	—	133.98	142.29	140.97	143.01	143.74	169.27 (7/3)	84.13 (6/1)	293.13 (2/5/72)	81.40 (10/12/74)
35	Hire Purchase (5)	102.45	—4.9	24.31	8.77	5.47	5.01	107.75	117.01	119.90	119.58	209.65	134.39 (10/3)	42.81 (6/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	107.03	—4.4	—	6.27	—	—	111.96	117.80	117.84	116.40	99.28	127.97 (23/4)	44.88 (2/1)	194.46 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (8)	103.52	—2.3	—	6.30	—	—	105.95	110.71	111.81	108.70	82.30	114.39 (29/4)	44.47 (2/1)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (8)	176.75	—1.9	11.18	4.80	13.17	13.17	180.25	185.13	184.39	184.49	168.15	191.72 (23/4)	68.96 (7/1)	262.57 (12/12/73)	66.86 (16/12/74)
39	Merchant Banks (19)	83.05	—3.8	—	7.51	—	—	86.31	88.96	89.66	89.49	113.52	94.97 (7/3)	31.21 (7/1)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (31)	212.71	—2.0	4.25	2.79	33.78	32.56	216.97	227.28	230.80	228.29	172.51	241.22 (22/4)	88.19 (7/1)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (5)	67.38	—1.7	16.84	9.54	8.33	8.23	68.56	70.76	71.27	71.97	103.52	75.78 (25/4)	34.78 (10/1)	303.13 (18/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	161.42	—1.5	3.11	4.85	32.11	32.11	163.91	166.43	164.46	164.60	132.17	170.07 (23/4)	73.43 (6/1)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	133.14	—2.0	—	6.22	—	—	135.82	140.87	141.74	139.59	118.47	147.46 (23/4)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	486.31	—0.4	10.53	6.63	11.18	10.75	488.28	493.48	491.73	490.30	399.29	493.48 (2/5)	281.66 (2/1)	555.37 (23/7/73)	84.88 (25/8/65)
45	Teas (10)	88.58	+0.6	21.81	9.03	5.78	5.38	88.01	88.53	88.19	88.19	105.04	88.65 (25/4)	76.76 (10/1)	121.47 (1/5/72)	59.72 (17/10/74)
46	Coppers (3)	458.70	—0.7	42.81	16.46	2.34	2.34	461.86	454.49	443.96	449.20	426.11	430.26 (28/2)	374.38 (22/1)	567.78 (13/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	124.86	—1.7	9.60	4.22	11.30	11.30	126.98	128.56	125.36	123.65	117.49	128.66 (2/5)	80.58 (22/1)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (8)	99.00	—0.7	10.30	8.57	12.50	10.74	99.66	100.76	100.40	101.75	101.26	101.75 (30/4)	58.91 (8/1)	125.43 (12/1/73)	54.83 (27/5/71)
49	Overseas Traders (13)	219.31	—1.4	15.18	3.96	8.35	8.32	222.43	225.02	225.02	221.71	—	229.40 (23/4)	97.37 (6/1)	229.40 (23/4/75)	97.37 (6/1/75)

	FIXED INTEREST	Tue May 6 Index No.	Tue May 6 Yield %	Monday May 5	Friday May 2	Thursday May 1	Wed. April 30	Tuesday April 29	Monday April 28	Friday April 25	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	15.47	15.58	15.32	15.32	15.55	15.42	15.42	16.16	14.36	—	—	—	—
2	20-yr. Govt. Stocks (6)	46.99	‡14.04	45.65	46.64	46.65	46.58	46.01	46.03	46.79	50.12	53.09 (20/3)	38.27 (6/1)	115.42 (11/9/63)	38.27 (3/1/75)
3	20-yr. Red Deb. & Loans (15)	45.35	‡16.20	45.75	46.43	46.61	46.52	46.69	47.02	47.19	47.47	50.88 (21/3)	37.01 (3/1)	113.43 (25/10/63)	37.01 (3/1/75)
4	Investment Trusts Prefs. (15)	42.12	16.44	42.12	42.52	42.66	42.99	43.26	43.40	43.68	44.14	46.57 (25/3)	35.35 (3/1)	114.41 (15/9/63)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	57.74	16.30	58.37	59.25	59.31	58.83	59.32	60.51	61.07	56.66	66.98 (20/3)	48.36 (3/1)	114.96 (7/10/63)	47.67 (6/1/75)

Section or Group	Base Dates	Base Value	Section or Group	Base Dates	Base Value
Overseas Traders	31/12/74	100.00	Miscellaneous Financial	31/12/70	120.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	16/1/70	144.76	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	162.74	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20			

‡Redemption yield. FT-Actuaries Indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A new list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p. Commonwealth 18p. Foreign 22p.

Option Report—3-month Call rates

OPTION DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Apr. 29	May 12	July 24	Aug. 2
May 13	May 27	Aug. 7	Aug. 19
May 28	Jun. 9	Aug. 28	Sept. 2

Slack trading in the Option market produced "calls" in ICI, Courtaulds, First National Finance Unsecured Loan 1992-97, British Land, Peachey and F. W. Woolworth. "Puts" were dealt in Rugby Portland, Catel Trust and Trust Houses Forte warrants, while "doubles" were arranged in Amalgamated Investment and Land Securities.

Industrials		Grand Met.	10	Slater Walker	14	Mine	
A. P. Cement	20	G.U.S. 'A'	20	Spillers	7	Anglo Amer.	45
Assoc. Leisure	5	Guardian	20	Tesco	6	Broken Hill Pr.	6c
Barclays Bank	35	G.K.N.	25	Thorn 'A'	28	Cast	9
Beecham	24	Hawker Sidd.	25	Tube Invest.	30	Charter Cons.	40
Boots Drug	24	House of Fraser	10	Unilever	40	Chart'rh'll Fin.	7
Bowaters	17	Hudson/W'lms	6	Utd. Drapery	12	Cons Gold	42
B.A.T.	35	I.C.I.	42	Vickers	18	De Beers Def.	2c
British Leyland	1¾	"Imps"	7	Woolworths	6	F. S. Geduld	200
British Oxygen	6	I.C.L.	7			Great Boulder	6
Burton 'A'	9	Inveresk	10	Property		Hampton Areas	10
Cadburys	5	Legal & General	17	Cap Counties	7	Hampton Pr.	4
Courtaulds	12	Lloyds Bank	30	E.P.	9	Kenol	14c
Debenhams	11	"Lofs"	9	Int. Europe	7	Lonrho	8c
Distillers	15	"Mams"	9	Land Securities	22	Lorain	55
Dunlop	6	Marks & Sp'ncer	22	Peachey	7	Metals Exp.	
Eagle Star	16	Midland Bank	32	Town & City	7	Poseidon	53
E.M.I.	14	Nat'lWestBank	30	Town & Comm.	7	Pres. Steyn.	225
First National	3½	P & O Dfd.	16			Rio T. Zinc	2
...R.A. Trust	7	Plessey	8	Oils		Welkom	55
Gen. Accident	16	R.H.M.	7	Brit. Petroleum	45	West Areas	55
Gen. Electric	14	Rank Org. 'A'	25	Burmah Oil	11	Western M'n.	15
Glaxo	40	Reed Int'l	25	Shell	26	Zambia Copper	
				Ultramar	17		

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	35	2	16
Corporations Dominion and Foreign Bonds	7	33	32
Industrials	144	739	866
Financial and Prop.	42	282	295
Oils	4	13	15
Plantation	6	8	36
Mines	27	41	83
Recent Issues	5	24	21
Totals	270	1,142	1,363

THE NEW THROGMORTON TRUST LTD.

Capital Loan Stock Valuation—6th May 1975

The Net Asset Value per £1 of Capital Loan Stock is Nil.

Securities valued at middle market price.

COMPANY NOTICES

TOWLES LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS of the Company's "B" Participating Preference Shares, Ordinary Shares and "A" Ordinary Shares will be CLOSED on 30th May 1975 for one day only for the payment of dividend for the year ended 19th March 1975.

Notice is also hereby given that the TRANSFER BOOKS of the Company's "A" Cumulative Preference Shares will be CLOSED on 30th May 1975 for one day only, for the payment of dividend for the half-year ended 30th June 1975.

By Order of the Board.
M. WALPOLE, F.C.A.,
Secretary.

W. F. JOHNSTONE AND COMPANY LIMITED
(Incorporated in the Republic of South Africa)

DECLARATION OF AN INTERIM DIVIDEND OF 7½ CENTS PER SHARE ON THE ORDINARY SHARES FOR THE YEAR ENDING 30TH JUNE, 1975

NOTICE IS HEREBY GIVEN that an interim dividend of 7½ cents per share has been declared payable to Ordinary Shareholders registered in the books of the Company at the close of business on 23rd May, 1975.

The dividend is declared in the currency of the Republic of South Africa and dividend warrants will be posted on or about the 6th June, 1975. The dividend payable to holders on the London Register will be paid in sterling.

The Company will deduct non-resident tax of 15 per cent. from dividends paid to shareholders whose addresses in the Share Register are outside the Republic of South Africa, and a further 20 per cent. in respect of United Kingdom Income Tax, to residents in the U.K. making a total deduction of 35 per cent.

For the purpose of paying the above dividend the Ordinary Share Register will be closed from 24th May to 6th June, 1975, both dates inclusive.

BY ORDER OF THE BOARD.
A. D. BRUNT,
Secretary.

PUBLIC NOTICES

SWANSEA CITY COUNCIL BILLS
£600,000 Bills issued today due 6th August 1975 at 9¹⁵⁄₃₂%. Applications totalled £10.56m. No other Bills in issue.

THE FOREIGN COMPENSATION (GERMAN DEMOCRATIC REPUBLIC) (REGISTRATION) ORDER 1975 (S.I. 1975 No. 410)

Attention is drawn to the above mentioned Order which enables the Foreign Compensation Commission to receive from United Kingdom nationals (as defined in the Order) applications to register certain claims relating to property in the German Democratic Republic and Berlin (East) owned by United Kingdom nationals or relating to bank balances or other debts due from persons, institutions etc. resident in the German Democratic Republic and Berlin (East) to United Kingdom nationals but excluding external bonds.

Persons who wish to apply for registration should write for application forms to the Secretary, Foreign Compensation Commission, Alexandra House, Kingsway, London WC2B 6TT.

An application shall not be entertained unless it has reached the Foreign Compensation Commission on or before 30th January 1976.

PERSONAL

COMPANY ANNOUNCEMENT

THE SOUTH AFRICAN LAND AND EXPLORATION COMPANY LIMITED

(Incorporated in the Republic of South Africa)

BOREHOLE W.7

The following results are announced in respect of Borehole W.7 situated in the Withok Area of the company's mining lease, approximately 250 metres north of the southern boundary at a point approximately 3 500 metres west of the south-eastern corner.

MAIN REEF LEADER

	Depth Metres	Corrected Width cm	Value Gold g/t	Value Uranium kg/t	Gold Value cm. g/t	Uranium Value cm.kg/t
10th Intersection (9th deflection)	2 193	17.4	1.5	0.02	20	0.30
11th Intersection (10th deflection)	2 195	17.4	0.92	0.02	16	0.35

Core recovery was complete in both intersections.

Drilling has been completed.

Johannesburg
7th May, 1975

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Down 20 on aggressive selling

BY OUR WALL STREET CORRESPONDENT

NEW YORK, May 6.

AGGRESSIVE SELLING drove prices sharply lower in a heavy turnover on Wall Street to-day, following bleak predictions on unemployment from some of the nation's top labour leaders.

The Dow Jones Industrial Average came back 20.88 to 834.72 and the NYSE All Common Index gave way 69 cents to $46.91, while declines topped advances by 949 to 529. Trading volume expanded 3.04m. shares to 25.41m.

The abrupt turnaround was attributed to several factors, including profit-taking, an overbought technical condition, and also the unemployment situation.

AFL-CIO Chief, George Meany, warned that the jobless rate would hit 11.5 per cent. before the recession ends, while United Auto Workers President, Leonard Woodcock, said the Automobile Industry's employment outlook is very bleak with no sign of a spring upturn in car sales.

Many analysts considered the selling normal following the recent gains as well as the prolonged advance that began five months ago.

Some brokers also noted there was no new stimulation in U.S. economic developments to sustain the recent rally.

U.S. Steel slid $3¾ to $60¼—it said deliveries and profits in the second quarter will not keep pace with the first quarter. The selling spilled over to the remainder of the group. Bethlehem Steel, the number two producer, dropped $2¼ to $37¾.

General Motors, weakest of the Car Makers, lost $1¼ to $43¾ a day after the industry reported a 32 per cent. drop in late-April car sales.

Du Pont were down $2⅞ to $129⅞, Eastman Kodak $4¼ to $105⅞, General Electric $2 to $5⅞, Sperry Rand $1½ to $43⅞, IBM $3½ to $210½, and Digital Equipment $3½ to $106.

Semiconductor issues were again under heavy selling pressure. Motorola fell $5⅞ to $49, Fairchild Camera $1½ to $40, National Semi-Conductor down $1¾ to $28⅞ and Texas Instruments $3 to $101⅞.

IBM gave way $4 to $209⅞, Burroughs $2⅞ to $98⅞ and National Cash Register $1⅞ to $31½.

The American SE Market Value Index, however, further improved 0.25 to 85.74, although declines outpaced advances by 419 to 259. The most active issue, Syntex, shed $⅝ to $39½.

But Golds moved up 7.65 to 384.18, Western Oils rose 1.00 to 183.26, Banks improved 1.74 to 252.33 and Papers put on 0.51 to 107.87.

Home Oil "B" gained $2 to $24 on the Federal announcement of higher export gas prices. Hudson's Bay Oil and Gas put on $1¼ to $30¼ and Canadian Superior Oil advanced $1⅞ to $39¼.

Moore declined $1⅛ to $48⅜.

PARIS—French stocks mixed in moderate trading, mainly due to fears of trading being suspended to-day over a labour dispute.

Banks, holding companies, motor and mechanicals were irregular, while other sectors were generally off.

Americans, German and Belgians did well among Foreign shares, with General Motors, ITT, Bayer and Siemens all on the upside. Philips and Unilever were each lower among Dutch stocks, as were Olivetti among Italians.

International oils were generally off, notably Petrofina, Royal Dutch and Shell Transport. Gold Mines and Coppers eased, with West Rand and Free State each down. Union Miniere, however, gained a little ground.

AMSTERDAM—Slightly lower in most sectors.

AKZO shed Fls.0.5 to Fls.42.9 on a "heavy" first quarter loss. Philips at Fls.26.7 and Royal Dutch at Fls.87.7 were each off Fls.0.10. Unilever declined Fls.1.30 to Fls.107.8.

In the Shipping sector, Holland America Line Holding were down Fls.0.90 but KNSM Group were up Fls.0.90. Van Ommeren put on Fls.0.50 to Fls.284.

Local Industrials were steady to slightly lower.

Bonds were steady.

BRUSSELS—Mixed in slow trading.

Steels declined. Cockerill lost Frs.14 to 1,296 and Arbed Frs.150 to 4,820. In mixed Metals, Hoboken rose Frs.40 to 4,250 and Union Miniere Frs.5 to 1,505, while Vieille Montagne declined Frs.90 to 4,900.

Chemcials finished mostly higher. Solvay were up Frs.5 to 2,675 and UCB Frs.60 to 3,340. In lower Holdings, Cobepa slipped Frs.36 to 1,214. Petrofina eased Frs.30 to 5,270 in weak Oils.

Moderate gains predominated among U.S. shares.

South African Minings tended lower, with Vaal Reefs off Frs.14 to 1,362. Akzo dipped Frs.20 to 640 and Pechiney Frs.20 to 1,150 in lower Dutch and French sectors. Among higher Germans, Bayer rose Frs.30 to 1,900.

GERMANY—Higher across a wide front on broad demand from Foreign and Domestic quarters.

Banks were predominantly higher. Commerzbank rose DM1.50 to 217, Deutsche Bank DM1.7 to 350 and Dresdner Bank DM2.1 to 247.50.

In Electricals, Siemens rose DM1.60 to 269.80 and AEG DM2.60 to 86.50. Chemicals advanced across a wide front with Hoechst rising DM1.50 to 147.50 and Bayer DM2.30 to 124.30. Metals were mostly unchanged.

Motors generally gained ground. VW put on DM0.50 to 111.50, Daimler DM1 to 307 and BMW DM2.50 to 243. Machine Makers gained up to DM3. Steels mostly improved.

SWITZERLAND—Mixed trend but the undertone remained firm.

Major Banks continued higher, apart from easier Bankverein Bearer. Industrials irregular, with Hernes Bearer and Registered and Alusuisse each gaining ground. But Fischer Bearer and Registered each eased.

State Bonds also closed irregular.

MILAN—Slightly lower in stagnant trading, with internal political uncertainty ahead of June 15 Regional Elections again dampening activity.

Bonds showed small gains.

TOKYO—Market ended little changed after reversing an earlier upward trend. Volume 210m. shares.

Shares listed on Foreign Stock Markets attracted good demand following the overnight advance on Wall Street. These included Fuji Photo, Toray, Nippon Steel and Komatsu.

Sony, however, dipped Y30 to 3130 on profit-taking, and Matsushita Electric shed Y2 to 553.

HONG KONG—Further decline but above the day's lows. The main influences continued to be the Jardine/Gammon bid situation and the easier overnight trend in London.

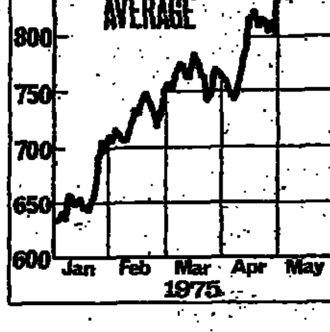
Jardine Matheson fell $HK1.30 to $HK25.70 and Gammon lost 70 cents to $HK18.60.

JOHANNESBURG—Golds were steady in quiet trading, after an intially easier trend.

Financial Minings were about unchanged in dull dealings. Platinums were steady to firm, while Coppers edged lower.

AUSTRALIA—Prices retreated in light trading. Leading Minings, Industrials and Oil were slightly lower. Banks and Financiers also posted small losses, but there were scattered gains in Retailers, Transports and some energy stocks.

BHP shed 6 cents to $A6.04, but Dalgety gained 15 cents to $A3.75 and National Bank advanced 5 cents to $A2.55.



OTHER MARKETS

Canada mixed

Canadian Stock Markets were mixed in active trading yesterday.

The Industrial Share Index lost 0.33 to 184.79, Base Metals 0.45 to 70.63 and Utilities 0.11 to 133.95.

Franc rises

The French franc rose further against major currencies in general in the foreign exchange market, as well as against sterling and the U.S. dollar, with its trade-weighted average appreciation against 14 units since the Washington Currency Agreement of December, 1971 (as calculated on noon rates in New York by Morgan Guaranty) widening to 4.84 per cent., from 4.64 per cent. Sterling's trade-weighted fall since the Washington Agreement against ten currencies (as measured by the Bank of England) was unchanged on the day, at a record-equalling 23.3 per cent., and stood at 23.3 per cent., at noon, after having been at 23.2 per cent. in early dealings. In terms of the dollar, the pound fell 30 points on balance to $2.3380-2.3390—opening at $2.3390-2.3400, and reaching $2.3450-2.3460 at one stage in the morning. Some erratic movements were seen. The dollar's weighted fall against 14 currencies since the Washington Agreement (on the Morgan Guaranty basis) widened a shade, to 6.73 per cent., from 6.72 per cent., while sterling's fall on a similar basis widened to 28.14 per cent., from 27.97 per cent. The Bundesbank was reported to buy dollars, in support of the mark.

Gold rose $¼ an ounce on balance in London to $163¼-164¼, in moderate activity. The metal opened at $164-165, and touched $164¼-165¼ between the fixings, at its best of the day—ending at its lowest.

The Krugerrand ended in places at a premium of 22⁹⁄₁₆ per cent. over its gold content, on the dealer's selling side, in domestic business, against Monday's 22½ per cent., and at about 3⁵⁄₁₆ per cent. in international business, as previously.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus	Util.	Trading volume† 000's
May 6	67.63	171.30	834.72	75.26	26,410
5	67.54	174.12	855.60	75.19	22,370
2	67.32	171.99	848.48	74.64	26,210
1	67.23	170.76	830.96	74.29	20,660
Apr. 30	67.24	171.38	821.34	74.04	18,060
29	67.37	168.02	803.04	74.16	17,740
28	67.33	169.66	810.00	74.77	17,850
25	67.47	169.45	811.80	75.03	20,260
24	67.63	167.57	803.66	75.19	19,050
23	67.71	166.95	802.48	75.60	20,040
22	67.74	169.86	814.14	75.82	26,120
21	67.58	171.15	815.86	75.56	23,960
18	67.66	169.37	808.43	75.56	22,610
17	67.86	170.60	819.46	76.72	32,650
16	67.35	168.45	815.71	76.72	22,970
15	67.88	166.71	816.08	76.34	29,620
1975 High	69.82 (4/4)	174.12 (5/5)	855.60 (5/5)	81.86 (21/1)	—
Low	66.18 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

May 3	Apr. 25	May 4, 1974
4.55	4.80	4.30

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	May 6	May 5	May 2	May 1	Apr 30
47.60 (5/5)	37.06 (2/1)	46.91	47.60	47.18	46.59	46.19

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,856	529	949	378

	May 6	May 5	May 2	May 1	Apr 30
New Highs	186	194	204	155	84
.. Lows	7	10	9	10	21

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

	1975 High	1975 Low	May 6	May 5	May 2	May 1	Apr 30
	85.74 (6/5)	62.20 (2/1)	85.74	85.49	84.91	84.16	84.24
Volume '000's			2,980	2,690	2,610	2,470	2,160

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
May 6	99.93	88.64
5	101.67	90.08
2	100.66	89.22
1	99.34	88.10
April 30	98.42	87.30
29	96.41	85.64
28	97.10	86.23
1975 High	101.67 (5/5)	90.08 (5/5)
1975 Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 60 Utilities, 15 Rails.

STOCK AND BOND YIELDS

	Apr. 30 1975	Apr. 23 1975	May 1 1974
Ind. Ord. yield pc	3.85	3.91	3.59
Ind. Ord. p/e ratio	9.89	9.74	11.72
Long-term Govt. Bds. per cent.	6.23	6.22	6.76

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Am. T. & T. Wts.	908,000	½	− ½
Curtiss Wright	391,300	11⅞	+ ⅛
Inter. Tel. Tel.	296,800	22¼	+1
Fed. Nat. Mort.	214,200	16⅞	+ ⅛
U.S. Steel	155,700	60⅛	−3⅜
Polaroid	171,900	29⅛	− ½
ALCOA	170,800	49¼	+ ½
Amer Medicorp	168,700	6	+ ⅛
Amer. Tel. Tel.	157,600	50½	− ⅛
Amer. Home Prod.	146,600	37⅝	+ ⅛

TORONTO

INDUSTRIAL INDEX

May 6	May 5	1975 High	1975 Low
184.79	185.12	188.69 (17/4)	159.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

May 6	May 5	1975 High	1975 Low
194.61	193.94	194.61 (6/5)	159.95 (2/1)

COMBINED INDEX

May 6	May 5	1975 High	1975 Low
188.65	188.64	189.97 (17/4)	155.02 (2/1)

JOHANNESBURG

	May 6	May 5	1974-75 High	1974-75 Low
Industrials	206.9	202.4	210.3 (17/2)	183.0 (23/1)
Golds	291.2	292.5	379.1 (2/1)	285.2 (15/4)

(1958=100.) Source: Rand Daily Mail. • 1974.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	May 1	April 24	April 17
On Dividends	7.43	7.29	7.48
On Earnings	15.17	13.81	14.10

SYDNEY ALL ORD. INDEX

May 6	May 5	High 1975	Low 1975
352.13	354.13	368.48 (14/1)	289.88 (9/1)

HONG KONG INDEX ø

May 6	May 5	High 1975	Low 1975
306.91	314.20	333.64 (28/4)	160.42 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

May 6	May 2	High 1975	Low 1975
330.08	329.32	330.08 (6/5)	268.24 (10/1)

SINGAPORE INDEX §

May 5	May 2	High 1975	Low 1975
259.43	259.46	268.69 (11/3)	153.86 (6/1)

EUROPE

	May 6	Previous	1975 High	1975 Low
Belg'm (a)	111.52	111.73	111.73 (5/5)	89.07 (2/1)
Denm'k (b)	87.27	87.64	88.52 (18/4)	73.06 (15/1)
France (d)	70.1	70.6	72.6 (23/4)	61.70 (2/1)
Germ'y (e)	715.1	708.7	726.1 (15/4)	573.5 (2/1)
Holland (f)	107.6	107.4	107.6 (6/5)	85.8 (2/1)
Italy (g)	101.09	101.65	106.86 (21/2)	86.9c (8/1)
Spain (h)	107.57	108.07	110.96 (22/4)	91.25 (16/1)
Sweden (k)	365.20	363.85	374.85 (18/4)	310.5 (9/1)
Swit'rl'd (m)	295.1	290.4	295.1 (6/5)	30b. (2/1)

Indices and base dates (all base values 100):—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December, 1953 (f) Amsterdam Industrial 1970. (g) Milan General 2/1/73. (h) Madrid S.E. 31/12/74 (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ø Hang Seng Bank 31/7/64. § Straits Times 1966 (c) Closed † Adjusted.

EXCHANGE CROSS-RATES

May 6	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't	—	2.560-370	57.60-57.66	6.54-55	5.54-65	98.10-15	93.05-12
N. York	42.16-20	—	24.31-34	2.855-860	2.3380-3390	41.38-41.41	39.30-33
Paris	173.125-525	4.1015-1112	—	11.7375-7625	9.60-625	169.9-70.3	161.25-65
Brussels	14.775-790	35.0-05	8.51-55	—	81.90-82.10	14.48-53	13.73-79
London	5.54-56	2.338-339	9.60½-61½	81.85-82.05	—	5.64-65	5.94½-95¼
Am'erdam	101.86-91	2.4123-47	58.78-85	6.88½-8945	5.8495-8545	—	94.88-93
Zurich	107.29-48	2.5425-45	61.88-97	7.2525-2675	5.9515-90	105.32-45	—

U.S.$ in Montreal. U.S.$1=102.62-66 Canadian cents. Canadian $ in New York. $C1=97.40-42 U.S. cents. U.S. $ in Milan 630.55. Sterling in Milan 1475.56.

EURO-CURRENCY INTEREST RATES*

May 6 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch guilder	W.German mark	Swiss franc
†Short term	10-12	5-5½	5½-4½	5⅞-6⅛	3½-4	1-1½
7 days notice	10¼-12¼	5⅛-5⅝	4¾-5¾	5⅞-6⅛	4⅛-4⅝	2¼-2¾
Month	12⅛-13⅛	5½-6	7⁷⁄₁₆-7⅞	4¾-5	4⅜-4½	3-3¼
Three months	12⅞-13¼	6½-7	7½-7¾	5⅜-5⅝	4½-4⅝	4⅜-4⅝
Six months	13¼-14	7⅝-8⅛	8⅜-8⅝	6-6¼	5-5⅜	5½-5¾
One Year	13⅛-14⅛	8⅛-8⅝	8⅝-8¾	7-7¼	5⅞-6	6¼-6½

Euro-French deposit rates: two days' notice 8½-8¾ per cent.; seven days' notice 8½-8¾ per cent.; one month 8⅞-9⅛ per cent.; three months 9½-9¾ per cent.; six months 9⅞-10⅛ per cent.; one year 10⅛-11 per cent.

Longer-term Eurodollar deposits: two years 8½-9 per cent.; three years 9-9½ per cent.; four years 9½-9¾ per cent.; five years 9½-9¾ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 5¹¹⁄₁₆-5⅞ per cent.; three months 6¹³⁄₁₆-6⅞ per cent.; six months 7¹³⁄₁₆-7¹⁵⁄₁₆ per cent.; one year 8¼-7⅞ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two-days' notice for guilders and Swiss francs.

GOLD MARKET

	May 6 1975	May 5 1975
Gold bullion (a fine ounce)		
Close	$163¼-164¼	$163¼-16[illegible]
Opening	$164-165	$164-165
Morning fix'g	$164.50 (£70.254)	$163.50 (£69.932)
Afternoon fix'g	$164.00 (£70.121)	$163.50 (£69.732)
Gold coins (domestically)		
Krugerrand	$196-201 (£84-86)	$196½-20[illegible] (£84-86)
New sov'r'gns	$63¼-65½ (£27-28)	$62¼-64¼ (£26½-27)
Old sov'r'gns	$56¼-58½ (£24-25)	$56½-59 (£24¼-25)
Gold coins (int'rn'tn'aly)		
Krugerrand	$168½-170 (£72-72¾)	$168-170 (£71-72¼)
New sov'r'gns	$51½-53 (£22-22¾)	$51½-53 (£22-22¾)
Old sov'r'gns	$49½-51 (£21-21¾)	$49-50½ (£20¾-2[illegible])
$20 Eagles	$235-240	$230-23[illegible]
$10 Eagles	$120-125	$118-12[illegible]
$5 Eagles	$90-95	$88-93

FOREIGN EXCHANGES

May 6 1975	Bank Rates %	Market Rates Day's Spread	Close
New York	8¼	2.3370-2.3460	2.3380-
Montreal	8½	2.3985-2.4110	2.3985-
Amsterdam	6	5.63-5.66	5.64-
†Brussels	7	81.70-82.25	81.95-
Copenh'gen	8	12.88-12.92	12.89-
Frankfurt	5	5.53-5.56	5.54-5
Lisbon	8½	57.20-57.70	57.30-
Madrid	‡7	131.10-131.60	131.20-
Milan	8	1,472-1,478	1,475
Oslo	5½	11.66-11.72	11.68-
Paris	10	9.60-9.63	9.60½
Stockholm	7	9.25-9.28	9.25½
Tokyo	8½	675-685	680
Vienna	6	39.19-39.60	39.1[illegible]
Zurich	6	5.94-5.97	5.94½

† Basic discount. ‡ Rates given for convertible francs, closing financial 34.90-84.70.

OTHER MARKETS

		¶Notes Rates	
Argentina	◆ 25.50-25.60	Argentina	[illegible]
Australia	1.7548-1.7609	Austria	[illegible]
Brazil	18.27-18.47	Belgium	[illegible]
Finland	8.52-8.55	Brazil	[illegible]
Greece	80.668-71.507	Canada	2.[illegible]
H'ngK'ng	11.47½-11.55	Denmark	12[illegible]
Iran	154.7-158	France	9.[illegible]
Kuwait	0.664-0.674	Germany	5.[illegible]
Luxemb'g	81.70-82.20	Greece	68[illegible]
Malaysia	5.2920-5.3080	Italy	1,[illegible]
N.Zealand	1.7572-1.7752	Japan	[illegible]
Saudi A'bia	8.10-8.25	Neth'l'ds	5[illegible]
Singapore	5.2820-5.2920	Norway	11[illegible]
S.Africa	1.6844-1.6983	Portugal	[illegible]
U.S.—		Spain	1[illegible]
Canada		Switz'l'nd	5[illegible]
C$1		U.S.	2[illegible]
U.S. cents	97.34-97.37	Yugosl'ia	[illegible]

¶ Based on rates quoted by [illegible] dealers. Other rates may be quoted [illegible] where. ◆ Rate given is the com[illegible] rate: financial rate 35.14-35.34. [illegible] given are liable to sharp fluct[illegible] (sg) Selling.

FORWARD RATES

	One Month	Three [months]
New York	1.45-1.35 c.pm	3.75-3.6[illegible]
Montreal	1.15-1.05 c.pm	3.20-3.0[illegible]
Amst'dam	4¼-3¼ c.pm	11-10 c[illegible]
Brussels	45-25 c.pm	105-85 c[illegible]
Copenh'ng	8-3 ore pm	10-7 or[illegible]
Frankfurt	4¼-3¼ pf. pm	12-11¼ [illegible]
Lisbon	2 pm-60 c.dis	[illegible] c.pm
Milan	4½-1½ lire pm	5-3 lire [illegible]
Oslo	3 ore pm-par	6-3 ore [illegible]
Paris	3-1 c.pm	8-6 c.pm
Stockholm	3-1 ore pm	8-4 ore [illegible]
Vienna	15-05 gro pm	75-45 gr[illegible]
Zurich	5-4 c pm	12¾-11[illegible]

Six-month forward U.S. dollar 7.[illegible] pm and 12-months 13.85-12.95c. p[illegible]

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—105½% (107½%)

NEW YORK

Stock	May 6	May 5
Corning Glass	45¾	46¾
CPC Int'nation'l	39⅞	39¾
Crane	48¾	50
Creole Petrol'm	8⅛	7⅞
Crocker Nat. C.P.	25⅛	26
Johns Manville	23¼	23¼
Johnson Johnson	93⅛	94
Johnson Control	12	11⅞
Joy Manufactur'g	66	67⅝
Kaiser Alumin'm	32⅛	32⅜
Rapid America	6⅞	6⅛
Raytheon	44⅜	44⅝
RCA	16	16⅛
Reading	3	2¾
Republic Steel	31¾	33⅝
Zenith Radio	19⅞	20
Chile 5% 1993	†81⅛	†81⅛
Peru 5% 1993	†9	†95
U.S.Treas5⅞%1974	†99⅞	†99⅞
U.S.Treas.4% 1980	†85⅛	†85⅛

GERMANY ◆

May 6	Price Dm.	+ or −	Div. %	Yld. %
A.E.G.	86.5	+2.6	—	—
Allianz Versich.	485	+4	17	1.8
B.M.W.	243	+2.5	18	—
BASF	147.5	+1.5	17	5.8
Bayer	124.3	+2.3	17	6.5
Bayer Hypo.	347	−1	18	2.6
Bayer Vereinsbk.	348 xd	+1.5	18	2.4
Commerzbank	217	+1.5	17	3.9
Conti. Gummi	79.5	−0.3	—	—
Daimler	307	+1	18	2.9
Degussa	245 xd	−1	18	3.7
Demag	198.5	+1.5	16	4.0
Deutsche Bank	350	+1.7	20	2.9
Dresdner	247.5	+3.1	18	3.6
Dyckerhoff Zem't.	182.5	+7.5	14	3.8
Gelsenberg	86	−0.5	10	6.8
Gutehoffnung	176	+2	14	4.0
Hapag Lloyd	130		9	3.5

AMSTERDAM

May 6	Price Fls.	+ or −	Div. %	Yld. %
Ahold (Fl.20)	101		16	3.7
Akzo (Fl.20)	42.9	−0.5	20	9.3
Alg Bk Ned(Fl.100)	352xd	−1.5	20	6.0
AMAS NV (Fl.10)	17.3	−0.2	10	5.8
AMEV (Fl.20)	72	+2.6	47½	5.5
Amro Bank (Fl.20)	83.2xd	−0.4	20	4.8
Van Berkels(Fl.50)	125	−2	[illegible]	6.1
Bijenkorf (Fl.20)	83.4xd	−1.1	21	5.1
Boka Westm. Fl.10	108.8	+1	45	4.4
Buhrm-Tetterode	72.8		25	6.3
Elsevier (Fl.20)	492	−3	24	9.7
EuroComTst Fl.10	60xd		[illegible]	5.1
Gist Brocade Fl.10	80.1	+0.1	23	2.9
Heineken (Fl.25)	168.1	−0.9	[illegible]	2.1
HelmaHlds.(Fl.10)	40	+0.5	14	3.5
Holland Fund	709	−3	15	2.1
Hoogovens (Fl.20)	60		[illegible]	6.7
H'ntelDouglasFl..	24		11	4.6

AUSTRALIA

May 6	Aust. $	+ or −
Acrow Australia	†0.78	
Adelaide Brng'ton Cem't 50c	†0.77	
Allied Mnfg. Trdg. Indus $1	†1.46	−0.01
Ampol Exploration	†0.52	
Ampol Petroleum	†0.41	
Assoc. Minerals	†2.75	−0.05
Assoc. Pulp Paper $1	†0.80	−0.02
Aust. Con. Industries	†1.40	−0.05
Aust. Foundation Invest.	†0.75	
A.N.I.	†0.87	
Aust. Oil & Gas	†0.10	
Blue Metal Ind.	†0.90	
Bouga'nville Copper	†1.04	
Broken Hill Proprietary	†6.04	−0.06
BH. South	†1.92	−0.05
Carlton United Brewery	†1.82	+0.02
G. J. Coles	†1.09	−0.01
CSR ($1)	†4.40	+0.04

VIENNA

May 6	Price %	+ or −
Creditanstalt	380xd	
Perlmooser	377	
Selecta	745	
Semperit	215	−9
Steyr Daimler	162	
Veit Magnesit	407	

JOHANNESBURG

May 6

MINES

Anglo American Cpn. [illegible]
Buffelsfontein [illegible]
Charter Const. [illegible]
Consd. Gold [illegible]
East Driefontein [illegible]
Elsburg [illegible]
Harmony [illegible]
Kinross [illegible]

CANADA

PARIS

TOKYO ¶

BRUSSELS

STOCKHOLM

MILAN

SWITZERLAND ◆

OSLO ◆

COPENHAGEN

SPAIN ▼

STOCK EXCHANGE REPORT

Equities above worst after quiet day's trading

Index down 3.9 at 311.1, after 306.8—Gilts rally

Account Dealing Dates

Option First Dealings	Declarations	Last Dealings	Account Day
Apr. 21	May 1	May 2	May 13
May 5	May 15	May 16	May 28
May 19	May 29	May 30	June 10

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

With the threat of industrial action by the power workers coming on a market already weighed down by the gloomy economic situation, equities remained in the doldrums yesterday. After a reasonably steady start, leading Industrials met sporadic selling and prices were quick to give ground in thin and nervous trading. Bear closing in the last hour or so of business brought about a useful rally, however, and the FT 30-share index, down 8.2 at 2 p.m., ended a net 3.9 off at 311.1; this brings the fall over the last two trading days to 19.6. The volume of trade was very low again and the earlier reaction owed as much to the absence of buyers as to actual selling.

British Funds staged a technical rally helped by the fall in U.S. Treasury Bill rates but, as with the equity leaders, the level of trade left much to be desired. Closing gains ranged to ½ and the Government Securities index improved 0.22 to 56.77, after the previous day's reaction of 0.94.

Second-line equities failed to join in the late recovery of the leaders, another round of medium-sized losses being reflected in the FT-Actuaries three main indices all of which gave up 2 per cent. Falls again outnumbered rises by about 5-1 in FT-quoted Industrials.

Gilts steadier

A slight technical recovery in gilt-edged, which began late the previous evening, was assisted to some extent yesterday by the unexpectedly sharp fall in U.S. Treasury Bill rates. Overall business tended to be small, but it was evenly proportioned, and after modest fluctuations some mediums and most longer-dated issues were ¼ to ⅜ better; Funding 6½ per cent., 1985-87, made the slightly larger rise of ½ to 86. The shorts were finally a shade harder with the exception of the longer-dated maturities, which were unaltered. Corporations mirrored Monday's trend in the main funds and lost ¼ generally.

Buying released by overseas activity in South African Gold shares initially took the investment currency premium up to 109 per cent., but when demand faded and offerings increased a reaction ensued which left the rate a net 1½ points lower at 105¼ per cent. Yesterday's SE conversion factor at 1.30 p.m. was 0.5387 (0.5391).

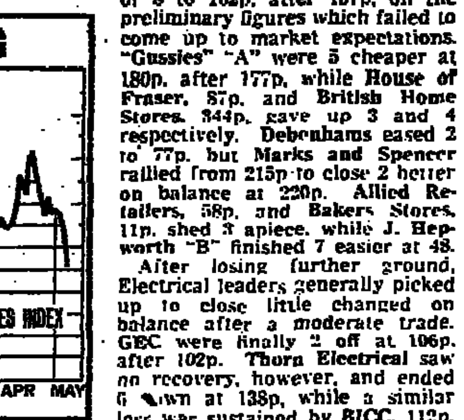
Merc Credit down

Nervousness ahead of to-day's interim results accounted for a fresh fall of 4 to 28p in Mercantile Credit. Elsewhere in Hire Purchases, UDT eased 1 to 24p in sympathy, while Lloyds and Scottish lost 4 to 70p. With the exception of Midland which cheapened 5 to 247p, after 242p the big clearing Banks rallied from early dullness to close unaltered. Irish Banks, however, were firm. Ahead of to-morrow's results, Bank of Ireland hardened 10 to 485p, while Allied Irish (results due a week to-day) improved 3 to 100p. Discounts gave further ground with Gillett Bros. notable for a fall of 13 to 120p. Merchant Bank casualties included Slater Walker which fell 6 to 87p, after 85p.

A late rally helped Composite Insurances recover early lost ground to close a shade firmer for choice. Commercial Union ended 3 better at 163p, after 156p, while Eagle Star improved 2 to 131p, after 126p. "Royals" hardened 3 to 288p, after 278p.

Breweries usually closed with small price movements after a quiet trade. Matthew Brown shed 7 to 56p, while Arthur Guinness eased 2 to 96p and Allied shaded 1 to 60p. Boddingtons, however, hardened a penny to 78p following the chairman's bullish remarks about current trading. Elsewhere, losses of 5 were recorded in Luis Gordon, 27p, and George Sandeman, 55p, but Distillers closed only 1 off at 124p, after 122p.

Tarmac were again prominent in Buildings, losing 5 more at 154p, after 152p, following news of the £10.6m. "rights" issue which accompanied improved results and a substantial property revaluation surplus. L. Fairclough, 194p, and H. C. Janes, 110p, lost 6 apiece, while Magnet Joinery declined 8 to 125p. Federated Land and Building ended 2 cheaper at 22p following the chairman's remarks at the annual meeting. R. Costain receded 4 to 179p as did Marley to 72p.



After extremes of 230p and 234p, ICI closed at the overnight level of 233p. Albright and Wilson, still on trading news, declined 7 further to 70p. Midland-Yorkshire slipped 13 to 385p pending fresh developments in the bid situation, while losses of 8 were seen in Fisons, 380p, and Scottish Agricultural, 175p. Awaiting to-day's figures, Laporte eased 3 to 82p. Alida Packaging were also on offer at 71p, down 4.

Mothercare disappoint

Mothercare featured a lack-lustre Stores section with a fall of 8 to 162p, after 157p, on the preliminary figures which failed to come up to market expectations. "Gussies" "A" were 5 cheaper at 180p, after 177p, while House of Fraser, 87p, and British Home Stores, 344p, gave up 3 and 4 respectively. Debenhams eased 2 to 77p, but Marks and Spencer rallied from 215p to close 2 better on balance at 220p. Allied Retailers, 58p, and Bakers Stores, 11p, shed 3 apiece, while J. Hepworth "B" finished 7 easier at 48.

After losing further ground, Electrical leaders generally picked up to close little changed on balance after a moderate trade. GEC were finally 2 off at 106p, after 102p. Thorn Electrical saw no recovery, however, and ended 6 down at 138p, while a similar loss was sustained by BICC, 112p, after 109p. Philips' Lamp continued to move in line with the investment premium and closed 7 off at 875p, after an early rise to 898p.

A day of some fluctuation in the Engineering leaders ended with Tube Investments 4 lower at 258p, after 252p, and GKN only 2 off at 226p, having been 232p and 224p. Hawker were also 2 cheaper at 270p, after 266p, but Metal Box lost 6 further to 244p. Elsewhere, Sheffield Twist reacted 9 to 66p on uncertainty regarding the SKF bid, which is subject to Government approval, while Averys slipped 4 to 87p despite increased profits. Other dull spots included Anderson Strathclyde, 7 down at 156p, and Rotork which lost 4 to 48p. Among smaller-priced issues, Spencer Gears gave up 2 to 10½p and Tecalemit 2½ to 26p.

Foods were dull again and J. Sainsbury eased a penny further to 166p in front of to-day's results. Falls of 7 were sustained by S. and W. Berisford, 133p, and A. G. Barr, 93p, while Associated Fisheries ended 5 cheaper at 35p. William Low and Kinloch (Provision Merchants) both closed 6 easier at the common level of 124p.

J. Lyons "A" eased 4 more to 138p, while Ladbroke, 152p, and Trust Houses Forte, 109p, lost 5 apiece.

Lesney Products rise

After softening further, miscellaneous Industrial leaders picked up to end on a mixed note following another slack trading session. Glaxo were finally 5 up at 380p, after 373p, while Beecham, 235p, and Bowater, 138p, after 133p, both closed 2 better. Rank "A" at 160p, and the new "A" 70p paid, at 89p, also traded quietly but improved 5 and 2 respectively. Unilever, after the recent nervous reaction awaiting Friday's first-quarter report, rallied to 356p before reverting to 352p, unaltered on the day. Boots were still 4 down on balance at 233p, after 230p, while Pilkington closed at the day's worst of 178p down 7. Elsewhere, Lesney Products were a bright spot at 22p, up 4, benefiting from the rise in profits and property revaluation surplus. Favourable Press comment prompted improvements of 7 and 2 respectively in Steel Bros., 212p, and Mentmore, 11p, while Feedex were supported ahead of to-day's results and gained 3 at 34p. In contrast, R. H. Cole receded 7 to 55p, unsettled by the chairman's warning of substantially lower profits. Smith and Nephew shed 2 to 50½p despite increased first-quarter profits. Anglo-Thai, 111p, and Wedgwood, 145p, lost 7 apiece, while Allied Polymer declined 5 to 81p. Among overseas issues, Barlow Rand advanced 12 more to 284p on strong Cape institutional buying.

Small selling and the absence of buying interest left Lucas Industries another 6 cheaper at 114p. Elsewhere, small falls littered Motors and Distributors following a quiet trade, but Abbey Panels managed to resist the general trend with a rise of 2 to 30p.

Of the few casualties in Newspapers and Publishers, Daily Mail "A" lost 7 to 178p and Marshall Morgan gave up 4 to 81p. Paper-Printings losses were usually small, Jefferson Smurfit shedding 4 to 92p and Bemrose 2 to 28p, the latter on the chairman's caution. Sharply lower profits brought Oxley Printing down 3 to 12p. Among Advertising Agencies, Collett Dickenson eased 2 to 25p, also on reduced profits.

Prop. leaders erratic

After Monday's setback, leading Properties fluctuated during a reasonable business before finishing a shade down on the day. An exception was English Property, which recorded a net improvement of 1½ at 76½p. Against a continuing dull trend in secondary issues, Bellway Holdings improved 3 to 56p in response to the half-year report. Trafalgar House experienced a small speculative trade and recovered an initial loss of 5 to finish unaltered at 105p. Warnford Investments closed prominently easier at 185p, down 13, while Haslemere Estates declined 6 to 210p and McKay Securities 5 to 85p.

Oils kept in line with the general trend and after a small business Shell were a further 6 lower at 275p, while British Petroleum closed 5 easier at 403p. Awaiting the annual report, Burmah softened 1 to 30p, but late news of the proposed early redemption lifted the 6¼ per cent. 1978 Debenture 15 to £97 bid. Ultramar drifted back to 150p before ending only 2 off at 154p and British-Borneo shed 4 more to 124p. Confirmation of the North Sea find off the Orkneys failed to help either Pan Ocean, ¼ lower at £10, or Sunningdale, unaltered at 440p.

Adverse Press comment brought fresh pressure to bear on Shippings which closed distinctly dull. British and Commonwealth lost 10 to 165p, as did Reardon Smith to 580p with the latter's "A" shares off 5 at 228p. Common Bros. (interim results due next Monday) receded 7 to 90p and "Lofs" declined 3 to 30p. P and O Deferred ended a net 4 lower at 92p.

News of the investigation into the company's affairs depressed Dowgate and General which lost 2 to 2½p in Trusts. Those trusts involved in the reorganisation of Sir Denys Lowson's investment empire lost a little more of last Friday's smart gains. British Isles and General giving up 22 to 305p and First Re-Investments 17 to 215p. Small selling in a thin market left Caledonia Investments 13 lower at 135p. In Financials, Lubok, results due to-morrow, continued to benefit from favourable Press comment and hardened 1½ more to 37½p.

Despite a late rally from 100p, Courtaulds sustained a fresh net loss of 2 at 103p. Elsewhere in Textiles, Carpets International declined 3 to 69p and Youghal Carpets cheapened 2 to 56p. "Snia-Viscosa," however, were a firm exception at 225p, up 15.

Tobacco leaders moved narrowly in quiet trading.

O.K. Bazaars "A" were again well to the fore in South Africans, improving 20 more to 780p. Abercom rose 10 to 200p, but Unisec contrasted with a fall of 8 to 89p.

Rubbers displayed no trend after a small business. Guthrie cheapened 2 more to 250p, after 245p, but Golden Hope edged forward 1½ to 56p. Teas traded similarly with Consolidated Tea and Lands 4 off at 108p and Longbourne 2 better at 62p.

Quiet Mines

It was a quiet day throughout Mining share markets. Gold shares, after a hesitant opening which reflected lower transatlantic markets overnight, edged higher following the higher morning bullion fixing of $164.50 per ounce and the initial firmness of the investment premium. Continental buying was reported during the day but prices were looking easier in late trading following the downturn of both the premium and gold. The latter ended the day 25 cents up at $164, while the Gold Mines index was 1.1 up at 363.3.

West Drie. were a half-point better at £47¾ but Western Holdings gave up that much at £26. Welkom fell to 460p and Unisel lost 14 to 244p.

Financials were generally lower, the U.K.-based issues being dampened by the fall in Industrial shares. RTZ were 3 lower at 181p, Selection Trust gave up 10 at 595p and Charter were 5 down at 166p. UC Investments, however, put on 10 to a year's "high" of 440p. Platinums remained firm with Lydenburg up a further 4 at 118p again on Cape interest. TC Land were ¼ to the good at £13.

Reflecting undecided home markets overnight Australian issues here generally showed little change. BH South, however, came back 10 to 205p owing to profit-taking. On the other hand, Thiess were 9 up at 235p.

In a thin Tin share market, Berjuntai jumped 23 to a 1975 "high" of 423p and ahead of the proposed Board changes Geevor were unaltered at 244p. Messina were 5 off at 385p among Coppers.

Elsewhere, Murchison were 10 better at 710p, after 720p, following renewed Cape interest. Northgate added 10 at 330p in an otherwise untested Irish-Canadian sector.

FINANCIAL TIMES STOCK INDICES

—	May 6	May 5	May 2	May 1	April 30	April 29	A year ago
Government Secs.	56.77	56.55	57.49	57.56	56.69	57.10	56.96
Fixed Interest	56.66	56.97	57.62	57.53	57.25	57.53	56.96
Industrial Ordinary	311.1	315.0	330.7	334.7	327.2	335.9	296.1
Gold Mines	363.3	362.2	375.5	373.5	375.3	371.4	318.0
Ord. Div. Yld. %	6.62	6.57	6.27	6.22	6.36	6.25	6.67
Earnings Yld. % (full) (a)	19.28	19.12	18.28	18.11	18.53	18.18	17.20
P/E Ratio (net) (a) (b)	7.24	7.30	7.64	7.71	7.54	7.68	8.29
Dealings marked	6,254	4,382	7,780	6,717	7,659	7,818	5,955
Equity turnover £m.	—	66.53	100.47	68.14	70.66	73.24	49.65
Equity bargains total	—	19,442	24,266	19,901	19,153	19,562	12,898

10 a.m. 314.2. 11 a.m. 313.0. Noon 310.0. 1 p.m. 308.5. 2 p.m. 306.8. 3 p.m. 308.5.

Latest Index 01-246 8026. Excluding regional exchanges.

(a) Based on 52 per cent. corporation tax. (b) Nil=7.21.

Basis 100. Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.54 (30/5)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.51 (21/3)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	355.3 (22/4)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	423.6 (25/2)	380.2 (23/1)	426.4 (15/11/74)	43.5 (26/10/71)

S.E. ACTIVITY

—	May 6	May 5
Daily—		
Gilt-Edged	124.4	92.8
Industrials	223.7	159.4
Speculative	73.4	43.9
Totals	142.3	99.7
5-day Av'rge.		
Gilt-Edged	132.6	139.7
Industrials	238.8	249.3
Speculative	65.0	64.2
Totals	149.3	156.4

FT—ACTUARIES INDICES

	May 6	May 5	May 2	May 1	April 30	April 29	A year ago
Industrial Group	123.06	126.57	130.31	131.20	129.22	132.75	119.86
500 Shares	132.61	135.26	140.29	141.11	138.95	142.67	130.40
Div. Yield %	6.62	6.49	6.26	6.21	6.31	6.15	6.26
P/E Ratio (net)	6.47	6.60	6.84	6.87	6.76	6.94	8.07
All Share	133.14	135.82	140.87	141.74	139.59	143.54	128.47
Consols yield %	15.47	15.58	15.32	15.32	15.55	15.42	14.56

AUTHORISED UNIT TRUSTS

	Bid	Offer	+or—	Yield %
(a) (g) Abacus Arbuthnot Ltd. Fountain St., M/C. 061-236 9754-5				
Giants	30.1	31.9	—0.5	4.30
Giants Accum.	31.6	33.4	—0.5	4.30
Growth Units	27.0	28.8	—0.2	4.30
Growth Accum.	28.4	30.2	—0.2	4.30
[illegible]				
(a) (g) The Crescent Group Crescent Unit Trust Managers Ltd. 4, Melville Cres., Edinburgh 3. 031-226 4931; 81, Fountain St., Manchester. 061-236 5685				
Crescent Growth	16.9	18.1	—0.3	5.28
Cres. Internat'l.	38.6	41.4	+0.1	2.13
[illegible]				
(a) (c) Lawson Securities Ltd. 63 George Street, Edinburgh 031-226 3911				
Scot. Resources	65.9	68.9		4.80
Gilt & Warrant	27.2	29.6	—0.3	1.74
High Yield	107.8	116.0		13.10
Accum. Units	116.5	125.5		13.10
[illegible]				
(a) (z) Pearl Montagu T. Mgrs. Ltd. 114, Old Broad St., EC2P 2YE. 01-588 6464				
P & M Growth Fd.	16.7	18.0	—0.3	4.58
Accum. Units	18.1	19.5	—0.4	4.58
P & M Income Fd.	20.6	22.2	—0.2	7.05
Pearl M'ntgu Tst.	25.5	27.5	—0.3	4.87
[illegible]				
(a) (g) Slater Walker Tst. Mangmt.				
S.W. Growth	57.7	51.8	—0.6	5.67
S.W. Assets Trust	48.6	52.0	—1.1	7.64
S.W. Capital Acc.	34.7	37.2	—0.3	5.46
S.W. Finan'l Tst.	36.8	39.4	—0.4	4.13
S.W. High Inc.	49.6	53.1	—0.5	7.55
S.W. Prisnl Tst.	400.1	412.5	—2.4	4.63
[illegible]				

[INSURANCE, PROPERTY, BONDS PRICES PAGE 29]

OFFSHORE AND OVERSEAS FUNDS

	Bid	Offer	+or—	Yield %
Albany Management Co. Ltd. P.O. Box 1349 Hamilton, Bermuda				
Albany Fd. Ltd.	$5.19	.57		—
Australian Selection Fund N.V. Lond. Agent, Pan Australian Int. Mgt. Ltd., 20, Red Lion Ct., E.C.4. 01-353 2416				
[illegible]				
Free World Fund Limited Butterfield Building Hamilton Bermuda				
NAV Mar. 31	US$153.16			—
G.T. Bermuda Ltd. Bk. of Bermuda Front St. Hamltn. Brmda				
Berry Pc Fd Apr30	US$24.37			1.70
[illegible]				
Murray Johnstone (Inv. Adviser) 163 Hope St. Glasgow, C.2. 041-221 5521				
*Hope Street Fund	US$19.62			—
‡Murray Fund	US$5.72			—
*NAV April 15 ‡NAV Mar. 31.				
[illegible]				

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or −	Yield Int.	Red.
"Shorts" (Lives up to Five Years)						
98¼	90¼	Savings 3pc '65-75‡‡	96½	......	3.05	10.01
98¼	94¾	Exch. 6½pc 1976‡‡	97½	......	6.68	10.00
97¼	92	Treasury 6½pc 1976‡‡	95¾	−⅛	6.79	10.12
98¼	97	Victory 4pc 1976‡‡	98	......	4.08	—
102	96¾	Treasury 10½pc 1976‡‡	99⅝	−⅛	10.54	10.73
95	88⅞	Treasury 6¼pc 1977‡‡	92	+⅛	6.73	10.56
91¼	86¼	Electric 3pc 74-77	89⅝	+⅛	3.35	9.18
103	96¾	Treasury 11½pc '77‡‡	101⅛	+⅛	11.37	10.90
88	84	Treasury 3pc '77	85xd	+⅛	3.50	9.44
88	84½	Transport 4pc '72-77	86xd	+⅛	4.55	10.21
96	90½	Treasury 9pc 1978‡‡	94	+⅛	9.57	11.46
96	94	Treasury 9pc '78 'A'‡‡	94	+⅛	9.57	11.47
100	97	Treasury 10½pc '78‡‡	97½	+⅛	10.81	11.58
87½	79	Exchequer 5pc '76-78‡‡	84¾	......	5.90	10.44
103	94	Treasury 11½pc '79‡‡	99	......	11.53	11.61
79⅝	71	Treasury 3pc '79‡‡	76	......	3.92	9.72
81	73½	Electric 4¼pc '74-79	77⅝	......	5.47	10.77
100	96	Treasury 10¼pc '79‡‡	96xd	......	10.67	11.49
79⅜	71	Electric 3½pc '76-79	76xd	......	4.56	10.01
95	84	Treasury 9pc 1980‡‡	91	......	9.89	11.46
Five to Fifteen Years						
79	68¼	Treasury 3½pc '77-80	75¼	......	4.70	10.03
84½	71	Funding 5¼pc '78-80‡‡	81¼	......	6.63	10.63
75½	66⅛	Treasury 3½pc '79-81	72½	......	4.88	10.06
91⅛	72⅝	Do 8½pc '80-82‡‡	87½	......	10.01	11.81
104	86½	Treasury 12pc 1983‡‡	99⅝	......	12.28	12.44
78	58	Funding 5½pc '82-84‡‡	72¾	......	7.74	10.66
85¼	61½	Treasury 8½pc '84-86‡‡	80⅝	......	10.91	12.16
73¼	51½	Funding 6½pc '85-87‡‡	66xd	+½	9.86	11.91
76¼	53	Treasury 7¾pc '85-88‡‡	70⅝	+⅛	11.32	12.83
46⅛	32⅞	Transport 3pc '78-88	40⅞	+⅛	7.53	12.83
55¼	39⅝	Treasury 5pc '86-89	49½	+⅛	10.24	12.89
Over Fifteen Years						
75½	53¼	Treasury 8¼pc '87-90‡‡	69½	+⅛	12.47	13.57
55¼	41⅛	Funding 5¾pc '87-91‡‡	49⅞	+⅛	11.65	13.66
97½	89½	Treasury 12½pc '93‡‡	89¼	+¼	14.23	14.39
54½	40½	Funding 6pc 1993‡‡	47½	+⅛	12.87	14.26
75¼	54⅛	Treasury 9pc '94‡‡	63½xd	+⅛	14.12	14.57
34⅞	24¼	Gas 3pc '90-95	29¼	+¼	10.27	13.02
102	75	Treasury 12¾pc '95‡‡	87xd	+⅛	14.51	14.72
71⅛	54¾	Treasury 9pc '92-96‡‡	63⅞	+⅛	14.38	14.55
32¼	26½	Redp 3pc '86-96	28½	+¼	10.64	13.02
69⅛	53¼	Treasury 8½pc 1997‡‡	61½	+⅛	14.61	15.00
59⅝	40⅜	Treasury 6¾pc '95-98‡‡	47½	+⅛	14.24	14.87
75⅛	54¼	Treasury 9½pc 1999‡‡	67¼	+¼	14.77	15.02
31⅝	22	Funding 3½pc '99-04	27	+¼	13.51	14.24
61⅛	47	Treasury 8pc '02-06‡‡	54⅜	+⅛	14.90	15.02
42⅞	33	Treasury 5½pc '08-12‡‡	37⅞	+⅛	14.86	14.95
59⅝	43⅛	Treasury 7¾pc '12-15‡‡	53⅜	+⅛	15.13	15.15
Undated						
29⅝	22¼	Consols 4pc	26⅝	+⅛	15.63	—
27¾	20⅛	War Loan 3½pc‡‡	22⅞xd	+⅛	15.14	—
27½	22⅝	Conv. 3½pc '61 Aft.	24⅛	+⅛	14.72	—
22	17½	Treasury 3pc '66 Aft.	19⅝	+⅛	15.29	—
18¼	14¼	Consols 2½pc	16½	+⅛	15.47	—
18⅞	14½	Treasury 2½pc	16¼	+⅛	15.62	—

**INTERNATIONAL BANK

1975 High	Low	Stock	£	+ or −	Yield Int.	Red.
66¼	58	5pc Stock '77-82	64¾	−¼	7.86	12.83
96¼	91½	8pc Stock 1976	95¼	−¼	8.40	12.23

**CORPORATION LOANS

1975 High	Low	Stock	£	+ or −	Yield Int.	Red.
74½	57¾	Belfast 6½pc '77-80	70	−½	9.35	14.64
91½	87	Bristol 6½pc '75-77	89½	−¼	7.26	13.42
87½	82¾	Essex 5½pc '75-77	85¼	−¼	6.46	13.63
94⅞	90	G.L.C. 6¾pc 1976	93¼	−¼	7.24	12.65

COMMONWEALTH & AFRICAN LOANS

LOANS (MISCEL.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 37½% (based on $2.3400 per £)

CANADIANS

S.E. List Premium (based on $2.4050 per £)
Conversion factor 0.5267 (0.5391)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

MINES

CENTRAL RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
£14¼	780	Durban Deep R1	950	......	Q110c	ϕ	7.6
£14	850	E. Rand Prp. R1	£13¼	......	Q115c	ϕ	6.6
105	55	Rand Leases 25c	62	......	—	—	—
£33½	£22	Randf'tn Est. R2	£28¾	+¼	—	—	—
500	260	West Rand R1	340	−12	Q40c	1.3	7.8

EASTERN RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
370	235	Bracken R1	294	−1	†Q51c	1.1	11.2
23	13	Daggafontein 50c	14	−1	—	—	—
105	68	East Dag R1	82	−4	Q25c	ϕ	19.6
240	140	Grvlt. Areas 5c	250	......	—	—	—
320	210	Grootvlei 25c	250	......	Q22c	1.1	7.4
695	410	Kinross R1	620	+5	†Q30c	1.5	5.3
198	107	Leslie 65c	132	......		1.6	10.7
550	325	Marievale R0.25	395	−5		1.1	13.7
725	380	S. African Ld. 35c	545	−5		1.2	10.0
265	175	Vlakfontein R1	235	......	Q35c	1.3	11.0
£12½	840	Winkelhaak R1	£11¼	−¼		1.2	2.3
120	65	Wit. Nigel 25c	71	−2	Q1c	10.9	0.9

FAR WEST RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
£11	680	Blyvoor 25c	850	......	Q90c	1.3	6.7
£21½	£17	Buffels R1	£19½	+¼	†Q150c	1.4	5.3
£14¼	920	Doornfontein R1	£11½	−¼	†Q115c	1.4	5.6
£11¼	725	East Drie R1	910	+20	Q55c	1.8	3.9
£11	725	Do. Comb. Units	870	+20	—	—	—
450	295	Elsburg R1	355	+5		1.2	9.3
£27	£16	Hartebeest R1	£25	......	†Q150c	1.7	4.5
£13¾	815	Kloof Gold R1	£10½	......		2.2	
£15⅞	975	Libanon R1	£14	......	†Q100c	2.0	4.6
£12¼	960	Southvaal 50c	975	......		ϕ	0.5
475	340	Stilfontein 50c	410	+5	Q55c	1.3	10.2
£33¼	£21	Vaal Reefs 50c	£23¾	......	Q220c	1.7	4.9
£11½	650	Venterspost R1	£10	−10	†Q75c	1.7	5.9
£50	£34	W. Drie R1	£47¼	+½	†Q400c	1.2	5.4
745	450	W'n Areas R1	560	+5	†Q70c	1.4	7.8
£22½	£15	Western Deep R2	£19½	......	Q260c	ϕ	5.3
450	295	Zandpan R1	410	+10	†Q27c	1.0	4.2

O.F.S.

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
370	290	Fr. State Dev. 50c	360	......	†Q12c	1.8	2.1
£30½	£21	F.S. Geduld 50c	£27	......	†Q310c	1.1	7.6
870	550	Harmony 50c	765	+5		ϕ	6.5
575	320	Loraine R1	350	−5		6.7	2.2
£27	£19½	Pres. Brand 50c	£22	......		1.3	7.2
£25¾	£14½	Pres. Steyn 50c	£27¾	......		1.8	5.1
£35½	£21½	St. Helena R1	£33	......		1.2	4.5
340	210	Unisel	244	−14	—	—	—
525	370	Welkom 50c	450	−20	†Q55c	1.6	7.7
£39¾	£27¼	W. Holdings 50c	£36	−½	†Q345c	1.1	7.9

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
6½	3	Burma Mine 17½p	6½	......	—	—	—
40	17	Charterhall 5p	38	−½	—	—	—
115	75	Colby Mines $1	75#	......	—	—	—
730	360	Cons. Murch. 10c	710	+10	Q130c	2.2	11.8
53½	29½	Laurasia	41½	−1	—	—	—
19	13	NRD $1	16	......	—	—	—
375	200	Northgate C$1	350	+10	Q65c	1.0	8.5
199	80	R.T.Z.	151	−3	19.9	4.4	4.5
135	47½	Sabina Inds. C$1	127	−3	—	—	—
70	51	Stanford Mines $1	65	−5	—	—	—
£12½	875	Tara Expln. $1	£12	......	—	—	—
75	38	Yukon Cons C$1	69	......	—	—	—

NOTES

Unless otherwise indicated, prices are in pence, denominations are 25p and dividends are in net percentage terms. Estimated price/earnings ratios and covers adjusted to corporation tax of 52 per cent. on imputation system and 35 per cent. ACT. P/Es calculated on "net" distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on increased ACT, are based on middle prices, are gross and allow for value of declared distributions and rights.

Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ¶ Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- •• Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ‡ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment.

A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1973-74. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 21

FINANCIAL TIMES
Wednesday May 7 1975

Tories step up attack on Benn and Wilson

BY JOHN BOURNE, LOBBY EDITOR

CONSERVATIVE ATTACKS on Mr. Anthony Wedgwood Benn and other Cabinet anti-Marketeers—as well as on the Prime Minister — increased sharply yesterday.

Mrs. Margaret Thatcher, the Opposition leader, said in Manchester that the "actions of Mr. Wilson, Mr. Wedgwood Benn and Mr. Peter Shore would help put the Tories back into the national driving seat."

Earlier a storm broke out in the Commons standing committee on the Industry Bill when Mr. Michael Heseltine, the Conservative "shadow" spokesman, accused Mr. Wedgwood Benn of "corruption" in the way he had administered the 1972 Industry Act in relation to Norton Villiers Triumph. He believed that the use the Industry Secretary had made of his political powers under this legislation was not "financial" but "political" corruption.

Recent statement

And at Prime Minister's Question Time—handled by Mr. Edward Short, the Leader of the House—Mr. William Whitelaw, Mrs. Thatcher's deputy leader, charged Mr. Wedgwood Benn with flouting Mr. Wilson's recent statement that the company disclosure provisions in the Bill would follow the terms of the White Paper on the Regeneration of British Industry.

Mr. Short should warn the Prime Minister what was happening, added Mr. Whitelaw, for now was the time to "bring Mr. Benn to book."

This particular dispute about the Bill centres on the Tory contention that the White Paper implied that disclosure should be on a voluntary basis. It came to a head in the standing committee yesterday morning when Mr. Michael Meacher, Under-Secretary for Industry, told Tory members that if they thought Government decisions were going to be overturned because of words uttered "albeit by the Prime Minister," then they were seriously mistaken.

Mr. Wedgwood Benn accused the Opposition of seeking to infringe the right of the Government to scrutinise companies. The Tories, he said, had put up a smoke screen of abuse and misrepresentation to protect the right of industrialists to keep their intentions secret in all circumstances.

The Prime Minister should stay at home long enough to go on TV "just to show us he is still around," Mr. Peter Rost (Con., Derbyshire S.E.) told Mr. Short in the Commons.

He added that he sympathised with Mr. Wilson wanting to spend so much time abroad rather than facing problems at home—particularly "his incompetent and squabbling Ministers." Mr. Wilson should make a Ministerial broadcast "even if he no longer has the ability to deal with the economic mess his policies are creating."

Mr. Short replied that Mr. Wilson was at the Commonwealth conference and "not sailing"—but Mr. Heath was not present to hear the last remark.

To cheers from his backbenchers, Mr. Short added: "Labour have won four of the last five General Elections and when the next one comes along Mr. Rost would certainly discover that the Prime Minister was around."

MPs laughed when Mr. Short said to a Labour MP who complained about Mrs. Thatcher's absences from the Commons: "We have to be courteous to her—she has to get around and get known in the country."

John Hunt writes: Ten Labour backbenchers joined forces with Conservatives last night to inflict an overwhelming defeat on the Government during the committee stage of the Industry Bill.

By a majority of 19 (24—5) they passed an amendment requiring the Treasury to furnish more economic information and forecasts to other Government departments, industry or anyone else requiring them.

The amendment is almost certain to be removed at a later stage but the Government has indicated it will be replaced by a similar amendment of its own.

Parliament, Page 11

Wilson statement on NEB

THE Prime Minister is believed to have decided to state again that the operations of the proposed National Enterprise Board will come under his ultimate supervision, and not that of Mr. Anthony Wedgwood Benn, his Industry Secretary.

This decision, made while in Jamaica for the Commonwealth Conference, is understood to have been precipitated by reports Mr. Wilson has received from Westminster about Mr. Wedgwood Benn's statements, speeches and remarks on the subject of the Industry Bill while he was away.

The "reinforcement" may well take the form of a statement to the Cabinet when he returns from his Jamaica-Washington tour. Mr. Wilson first made the position clear at a speech in February.

His statement to the Cabinet is expected to point out that the Prime Minister will lay down the Government line when it is consulted by the NEB on matters outside its terms of reference. He will also supervise appointments to the Board and its financial arrangements.

The reaction of MPs close to Mr. Wedgwood Benn was that Mr. Wilson was trying to reassert his authority, badly damaged recently by Labour decisions against the Common Market. They were sceptical whether Mr. Wilson would in fact make his statement to the Cabinet.

Leyland names key men to run company

BY TERRY DODSWORTH

MR. DEREK WHITTAKER, 45-year-old managing director of British Leyland's body and assembly division at Cowley, was yesterday given the crucial task of putting together the corporation's new car division.

He is expected to start his new job almost immediately, with a view to completing the reconstruction of the car companies—Austin Morris, Rover, Triumph and Jaguar—by mid July.

Also announced yesterday were the other key executive appointments to the operational Board which will take over from the present legally-constituted Board in July.

While these appointments were being made—pressed forward as hastily as possible under pressure from Sir Don Ryder—the CBI joined the Conservative Party in attacking the basis of Government intervention in BL.

The Ryder proposals, it said, would mean "a large and probably increasing waste of scarce resources better used elsewhere."

While conceding that when a major company was in trouble it might be right to help construct it into "a profitable competitive enterprise if that is possible," the CBI said the Report's analysis was inadequate in some critical aspects. In particular, it had failed to "elaborate, substantiate or disprove the public criticisms of serious overmanning in the company."

The Government had committed itself to spending enormous sums on BL without any prospect of adequate returns. The proposals were so vague as to provide no safeguard against waste of public funds, and "did not provide a credible plan."

As expected, Mr. Ron Ellis, 49, remains as managing director of truck and buses, and Mr. David Andrews, 42, running the power and transmissions division at Longbridge, takes on the international division. Mr. David Abell, 32, who has been running down the Australian company, becomes managing director of the special products division.

At head office, Mr. Pat Lowry and Mr. Ron Lucas retain their jobs as directors of industrial relations and corporation secretary, respectively, while Mr. Gerry Wright becomes director of finance.

No less than six of the new directors come from a background in finance, and all of them have emerged from inside the corporation.

The Leyland line-up, Page 7
Men and Matters, Page 18

The new Board will have a radically different look.

Lord Stokes will give way to a new chairman (still to be appointed, possibly to take on a presidential post, and Mr. John Barber, managing director, and Mr. John Simon, former head of the international division, are departing. Mr. Bill Davis, head of manufacturing, will also leave the main Board, probably for the car division.

Of the four divisional heads, three were trained at Ford—Mr. Whittaker (who also spent five years at Sir Arnold Weinstock's GEC), Mr. Andrews, and Mr. Abell (who has also had a spell in the City at First National Finance Corporation).

The fourth operational boss, Mr. Ellis, is one of the few senior survivors of the old Leyland company. A former deputy to Lord Stokes, he has spent all his working life in the truck and bus business.

THE LEX COLUMN

Burmah's crucial negotiations

Burmah Oil's report leaves most of the questions in the air, but at least the answers ought not to be too long in coming. There could be news at the annual meeting about possible renegotiation of two VLCC charters from Japan Line which currently represent a cash drain of £14m. a year; sale of the North American interests could be achieved by July; and a financing deal for the North Sea cannot be delayed many months if production delays are not to become serious.

The optimistic line at present would be that although net worth was cut more than half to £293m. last year, only 36 per cent. of year-end capital employed, a successful sale of the U.S. side at "quite a bit in excess of the loans" would drastically cut the gearing, while the £320m. gross liability on the tankers might be whittled down to £100m. or so. The market capitalisation is only £43m. at 30p a share.

On the whole, it does seem that Burmah's chances of pulling through without further serious damage have improved within the past month or two, not least because its North Sea interests have become more readily saleable. But with large continuing cash outflows—capital spending, even excluding tankers, will be £129m. this year, with another £325m. to follow — the company is still highly vulnerable to a further cash squeeze once the BP proceeds run out. Buyers of the U.S. side, for instance, might be tempted to try delaying tactics in the knowledge that Burmah faces a December 31 deadline.

And it is still not clear why Burmah was apparently on the verge of ceasing trading in January, and took the amazing decision to sell the BP stake to the Bank of England, which can now hope to find Iranian and German buyers at twice the price if it wishes. Mr. Alastair Down will press for a share of any profit on grounds of equity—but he will require massive backing from shareholders and the City to get anywhere.

Index fell 3.9 to 311.1

Tarmac

Along with the 1974 results Tarmac has come up with a £10.6m. rights issue and the long-awaited revaluation of its mineral reserves—all of which put the shares down 5p to 154p yesterday. Profits are 9 per cent. ahead pre-tax but unchanged net of acquisitions; the revalution surplus (£20m.) could be well below most outside estimates; and Tarmac has nothing very specific to say about the reasons for the rights issue.

The new shares add a fifth to the equity base and together with the revaluation take year-end net worth up to over £60m., excluding goodwill. Against that, net debt is about £40m. including £18m. in short-term borrowings which the rights cash and January's £7½m. Eurofunding just about cover. Thus with the 1975 capital spend falling a fifth (to £16m.) the group has no gearing problems—all of which tends to categorise Tarmac's rights decision as opportunistic. The prospect of cheap acquisitions, with the construction climate continuing to deteriorate, is apparently, too good to miss, though it is to be hoped that the logic here will be stronger than with Wolseley-Hughes.

This year Tarmac hopes for maintained profits with growth overseas compensating for the problems in the U.K. which in 1974 centred on an 8 per cent. fall in deliveries of aggregates. The overseas operations now account for a fifth of turnover of which £24m. arises in Germany where 1975 should be a growth year after £½m. of loss elimination in 1974. That Tarmac's profits are not yet slipping overall is a measure of the group's resilience. But it will probably be 1977 b[…] the rights money can pr[…] a proper return.

Mothercare

Mothercare's prelim statement will only re[…] some of the doubts which left its shares almost unch[…] over the past three m[…] trailing a strong retailin[…] tor. The 1974-75 result certainly disappointing: per cent. rise to £7.43m. p[…] before property sale masks a slowdown in the g[…] rate from 24 per cent. per cent. between the halves. The sales pictur[…] dull for most of the seco[…] months—the rate of incre[…] U.K. turnover dropping fr[…] to 25 per cent.—and the p[…] was complicated by marg[…] trol problems in the quarter. The consequent adjustment brought f[…] business from Ja[…] February.

The group has still bee[…] aging to increase market since the 27 per cent. [in] rise for the year as a whol[…] in 13 to 15 points of growth, including three from additional selling s[…] and 12 to 14 from inc[…] prices. But the growth r[…] been lower overseas, despite an advance in [...] and Switzerland, profits £110,000 to £366,000 bec[…] problems in Germany whi[…] have lost as much as £2[…] including closure costs f[…] branches.

The short-term prospe[…] somewhat brighter t[…] there is recovery potentia[…] seas and U.K. sales since have apparently been buoyant"—more on the ing than the pram and furniture side—while space is due to increase per cent. this year, with tinuing search for ne[…] But the market will p[…] want more tangible e[…] that the group has not of steam despite the im[…] record. At 160p, the ca[…] tion is £51.5m.

Burmah plans sale of part of its North Sea interests

BY STEWART FLEMING

BURMAH OIL will have to sell part of its stake in two of the largest North Sea oilfields to raise finance for their development, Mr. Alastair Down, Burmah chairman, said yesterday.

Amplifying remarks about the company's share of the Thistle and Ninian oilfields made in Burmah's 1974 report and accounts which shareholders will receive to-day, Mr. Down said that Burmah "cannot afford to retain all its North Sea oil interests, it is a question of how much we can afford to retain."

Mr. Down explained that Burmah had, in principle, conceded 51 per cent. participation in its share of the North Sea fields to the Government, and the question of how to finance its share of development costs of around £130m. was now being examined.

He suggested that in order to raise the development finance, Burmah might have to surrender part of its interest. But he made it clear that Burmah hoped its stake in the fields would not fall by less than 25 per cent.

He added that Burmah was engaged in talks with prospective financing partners and Iran had expressed an interest.

Questioned about the company's plans to dispose of its North American oil interests, Mr. Down expressed renewed optimism about the prospects of an early sale which would enable the company to repay its £260m. of bank borrowings guaranteed by the Bank of England. He said that Burmah had narrowed the list of prospective purchasers down to "three prime targets and three second liners," and that the company would shortly be in "eyeball to eyeball" negotiations.

The potential purchasers included U.S. oil companies, but he added that anti-trust laws had eliminated some U.S. oil corporations from the list. Asked about the timing of a sale agreement, he said that, taking an optimistic view, the former Signal Oil and Gas Company could be sold by mid-June or July.

Outflow

On the company's biggest problem area, the tanker operations which lost £31.5m. in 1974, Mr. Down confirmed that the prospects for 1975 were not good and the company was facing a similar operating loss in 1975. It was already deep in negotiations with the Japan Line over two tankers which Burmah had chartered and which alone contributed £8.9m. of last year's tanker loss and could represent a cash outflow of £14m. per year for a further four years.

So far as the remainder of Burmah's 41 tankers were concerned Mr. Down disclosed that the company had laid up 13 ships, soon to be followed by four more.

Burmah had also opened up discussions concerning the four 445,000 dwt. tankers to be constructed in a new shipyard in Taiwan which it had an obligation to charter. Although Burmah tankers had no cash commitments to meet until the ships were delivered in late 1977 Mr. Down said that it was now "probable" that two ships would be cancelled.

Negotiations were under way too with the Bahamian Government about Burmah's transhipment terminal, which they hoped would bring a "break-even situation."

Mr. Down also said that the Union Oil Group had decided to withdraw from the pipeline project planned to link its Heather Field to a pipeline connecting the Ninian Field to the Shetlands.

The continued uncertainty about the future of the group's tanker operations and the extent to which these might continue to be a severe drain on resources were underlined by a qualification to the accounts by Whinney Murray the auditors. Their report said that the accounts had been prepared on the assumption that the resources available to the group would enable it to discharge its obligations when they fell due.

"The accounts did not reflect any future adverse effects, which could be material if computed on the basis of prevailing freight rates, that might be produced on the group's affairs by certain contracts in existence at December 31, 1974 relating to shipping operations, or arising from the review described in Note 36 on page 39. We are unable to express an opinion on these matters," the auditors say.

Note 36 stated that Burmah Oil Tankers, its fellow subsidiaries and associates had contractual commitments of £86m. estimated as payable during 1975, and £68m. in 1976, and that the operations were under review with the interpretation of various contracts being re-examined.

See Page 20

BSC Board post for union chief

By John Elliott, Labour Editor

THE GENERAL Secretary of the Iron and Steel Trades Confederation, Sir David Davies, is to be appointed to the British Steel Corporation as a part-time Board member when he retires from the union, the industry's largest, in a few weeks' time.

He was nominated for the £1,000-a-year post by the TUC's Steel Industry Committee, of which he is chairman, at the invitation of the Government and the instigation of Mr. John Boyd, the Right-wing Engineering Union leader. On the BSC Board he will join two other men with union backgrounds, Mr. Ron Smith, formerly of the Post Office Workers, who has been a member since nationalisation, and Mr. Ward Griffiths, the Board's "worker director" who is also nominated by the TUC Steel Committee.

During the eight years that Sir David has been the ISTC's general secretary the industry's work force has rarely been militant, but he has been adopting a tough line recently on any cutbacks. His appointment on retirement to the BSC Board will however cause little surprise in steel industry terms, even though there is no precedent for it.

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Finniston cool

agreed to meet members of the committee on May 19 to hear their alternative suggestions.

"We shall inform you of our decisions in advance of implementing them, in accordance with our usual practice in these matters," Sir Monty says.

The BSC chairman also emphasises that the Corporation's Board had assumed that any further discussion of the issues involved in the debate would be pursued in direct talks.

"We would suggest that this is preferable to a continuation of public correspondence," Sir Monty states.

Christian Tyler, labour staff writes: Steel unions will use the breathing space promised them by Mr. Benn to counter-attack on the BSC redundancy proposals. Policy will be decided at a number of major meetings in the next ten days, including a rank-and-file conference of the steel craft unions in Sheffield and a meeting of the TUC steel committee in London.

Yesterday, Mr. John Boyd, secretary of the national craftsmen's co-ordinating committee, said the BSC had apparently been offering a choice between abandoning the guaranteed week and redundancies.

The corporation's plans to shut Shelton steelworks in Stoke-on-Trent has sparked off a protest by the workers there, who are threatening to bring the plant to a halt and also to mount a flying picket campaign operating to other plants.

Weather

U.K. TO-DAY

BRIGHT spells, cloudy at times. Some rain in S.E. England.

London, S.E. England, Channel Isles

Cloudy, rain at times. Wind E., fresh or strong. Max. 14C (57F).

E. Anglia, E. Midlands

Cloudy, mainly dry. Wind E., fresh. Max. 13C (55F).

S.W. and Cent. S. England, W. Midlands, S. Wales

Bright or sunny spells, mainly dry. Wind N.E., fresh. Max. 14C (57F).

E. and Cent. N. England

Bright spells. Dry. Wind E., fresh. Max. 14C (57F).

N. Wales, N.W. England

Sunny periods. Wind N.E., moderate or fresh. Max. 15C (59F).

N.E. England, Borders, Edinburgh and E. Scotland, Aberdeen, Cent. Highlands, Moray Firth, Caithness

Sunny intervals. Wind E., light. Max. 13C (55F).

Lakes, I. of Man, S.W. and N.W. Scotland, Glasgow, Argyll, N. Ireland

Sunny periods. Wind E., light. Max. 15C (59F).

Orkney, Shetland

Sunny intervals. Wind variable, light. Max. 11C (52F).

Outlook: Sunny periods in N., rain in S.

Lighting-up: London 21.01, Manchester 21.17, Glasgow 21.35, Belfast 21.37.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexndria.	S	23	73	Luxembg.	C	13	55
Amstrdm.	S	16	61	Madrid	F	12	54
Athens	F	19	66	Manchstr.	S	12	54
Bahrain	S	29	84	Melbourne	S	18	64
Barcelona	C	15	59	Milan	R	11	52
Beirut	F	21	70	Montreal	S	12	54
Belfast	S	14	57	Moscow	F	23	73
Belgrade	S	23	73	Munich	F	17	63
Berlin	F	18	64	Newcastle	C	9	48
Birmnghm.	S	13	55	New York	C	16	61
Bristol	S	14	57	Oslo	S	17	63
Brussels	C	14	57	Paris	C	13	55
Budapest	F	22	72	Perth	S	17	63
B. Aires	S	21	70	Prague	F	18	64
Cairo	S	28	82	Reykjavik	R	5	41
Cardiff	S	14	57	Rio de J'o	C	22	72
Cologne	C	18	64	Rome	C	21	70
Copnhagn.	C	15	59	Singapore	S	30	86
Dublin	S	12	54	Stockholm	S	16	61
Edinb'gh	S	11	52	Strasbourg	C	16	61
Frankfurt	S	17	63	Sydney	S	21	70
Geneva	C	11	52	Tehran	R	22	72
Glasgow	F	14	57	Tel Aviv	S	21	70
Helsinki	S	16	61	Tokyo	R	15	59
H. Kong	R	24	75	Toronto	R	7	45
Jo'burg	S	20	68	Vienna	F	18	65
Lisbon	S	18	64	Warsaw	F	20	68
London	C	12	54	Zurich	C	12	54

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	C	16	61	Jersey	C	9	48
Algiers	S	20	68	Las Plms.	S	20	68
Biarritz	S	13	55	Locarno	R	9	48
Blackpool	F	14	57	Majorca	C	16	61
Bordeaux	C	13	55	Malaga	F	17	63
Boulogne	C	12	54	Malta	C	22	72
Casablnca.	F	19	66	Nairobi	C	21	70
Cape Town	R	19	66	Naples	S	20	68
Corfu	R	16	61	Nassau	S	28	82
Dubrovnik	C	20	68	Nice	R	11	52
Faro	S	17	63	Oporto	F	16	61
Florence	C	15	59	Rhodes	S	23	73
Funchal	F	18	64	Salzburg	C	18	64
Gibraltar	C	17	63	Tangier	S	18	64
Guernsey	C	10	50	Tenerife	S	16	61
Innsbruck	F	16	61	Tunis	F	19	66
Inverness	S	11	52	Valencia	F	13	55
I. of Man	S	12	54	Venice	C	13	55
Istanbul	F	20	68				

S—Sunny. F—Fair. C—Cloudy. R—Rain.

Continued from Page 1

Britain agrees to conference

likely to be in July in London.

At the same time, Britain and the African States will begin urgent consultations with the Mozambique Government on the modalities of imposing sanctions on Rhodesia. Mr. Wilson has already said Britain is willing to "contribute handsomely" to a fund to cushion Mozambique's financial losses.

British sources suggest this would be done on a bilateral basis in order to ensure speed, although it would be part of any U.N. or general Commonwealth fund that might be set up for the purpose.

Talks are also likely on the possibility of British aid for Botswana, whose railway is still a significant outlet for Rhodesian exports *en route* to South Africa.

President Seretse Khama, who was present at the meeting, is believed to have expressed his country's willingness to attempt to sever, or at least severely curtail, his economic relations with Rhodesia, although since the railway and its rolling stock are still physically operated by Rhodesia Railways, Botswana is in a much more difficult situation even than Mozambique.

Mr. Smith's own reaction to the Kingston programme will depend in large measure on the pressures which South Africa continues to exert on him. It is not yet clear if Mr. John Vorster, South Africa's Prime Minister, has been informed of Britain's decision to hold a conference.

In the past, he has maintained that substantive talks should be held in Southern Africa, preferably in Rhodesia, and that Britain should only be brought in to "rubber stamp" the final agreement.

But so keen is Mr. Vorster to see a peaceful settlement that his tacit support for the new programme policy is thought probable.

It is now obvious that the reason several participants in the meeting expressed satisfaction with it was the existence of the secret agreement on the constitutional conference.

There remains some exasperation, however, that Mr. Wilson categorically refuses to aid the ANC's attempt to build a credible alternative to peaceful negotiations in the form of an efficient guerilla force.

Broadly, however, there is satisfaction with the agreement achieved, although neither the British nor the Africans with their separate experience of Mr. Smith, are optimistic that a real breakthrough is imminent.

Healey urged to act over fall in pound

By Our Lobby Editor

MR. DENIS HEALEY, Chancellor of the Exchequer is to be asked to-morrow to "take steps now" to prevent the further devaluation of sterling.

The demand comes in a Commons question from Mr. Richard Body, Conservative MP for Holland with Boston. He said yesterday: "There are strong rumours in the City that the Treasury, through the bank, is letting the pound slide downwards instead of intervening as in the past to stop any slide.

"It is now urgent that a statement is made by Mr. Healey about the Government's real policy on sterling."

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